

HOUSE BILL No. 2961

By Committee on New Economy

2-15

AN ACT concerning tax credits; doubling the value thereof; amending K.S.A. 2001 Supp. 74-50,115 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. The secretary of commerce and housing shall compile a list of taxpayers seeking to earn tax credits for investment in qualified business facilities for taxable year 2002 pursuant to the job expansion and investment credit act. Such taxpayers shall certify to the secretary that the taxpayer intends to invest in a qualified business facility. If the secretary is satisfied that the investment commenced between July 1, 2002, and December 31, 2002, the secretary shall certify to the secretary of revenue that such taxpayer is eligible for a tax credit in an amount double the amount the taxpayer would otherwise have earned.

Sec. 2. K.S.A. 2001 Supp. 74-50,115 is hereby amended to read as follows: 74-50,115. (a) A manufacturing business may be eligible for a sales tax exemption under the provisions of subsection (cc) of K.S.A. 79-3606, and amendments thereto, if the manufacturing business complies with the following requirements:

(1) A manufacturing business shall provide documented evidence of job expansion involving the employment of at least two additional full-time employees; and

(2) a manufacturing business located within the state of Kansas that has documented evidence of job expansion as provided in paragraph (1), which relocates in another city or county within the state of Kansas must receive approval from the secretary prior to qualifying for the sales tax exemption in subsection (cc) of K.S.A. 79-3606, and amendments thereto, except that approval by the secretary shall not be required if the manufacturing business relocates within the same city.

(b) A nonmanufacturing business may be eligible for a sales tax exemption under the provisions of subsection (cc) of K.S.A. 79-3606, and amendments thereto, if the nonmanufacturing business complies with the following requirements:

(1) A nonmanufacturing business shall provide documented evidence of job expansion involving the employment of at least five additional full-time employees; and

1 (2) a nonmanufacturing business located within the state of Kansas
2 that has documented evidence of job expansion as provided in paragraph
3 (1), which relocates in another city or county within the state of Kansas
4 must receive approval from the secretary prior to qualifying for the sales
5 tax exemption in subsection (cc) of K.S.A. 79-3606, and amendments
6 thereto, except that approval by the secretary shall not be required if the
7 nonmanufacturing business relocates within the same city.

8 (c) A retail business may qualify for the sales tax exemption under
9 subsection (cc) of K.S.A. 79-3606, and amendments thereto, if the retail
10 business complies with the following requirements:

11 (1) A retail business shall provide documented evidence of job ex-
12 pansion involving the employment of at least two additional full-time em-
13 ployees; and

14 ~~(2) (A) such retail business locates or expands to a city having a~~
15 ~~population of 2,500 or less, as determined by the latest United States~~
16 ~~federal census, or (B) such retail business locates or expands prior to July~~
17 ~~1, 2004, to a location outside a city in a county having a population of~~
18 ~~10,000 or less, as determined by the latest United States federal census~~
19 *such retail business locates or expands to a location anywhere within a*
20 *county with a population of 25,000 or less according to the 2000 decennial*
21 *federal census.*

22 (d) Any person constructing, reconstructing, remodeling or enlarging
23 a facility which will be leased in whole or in part for a period of five years
24 or more to a business that would be eligible for a sales tax exemption
25 hereunder if such business had constructed, reconstructed, enlarged or
26 remodeled such facility or portion thereof itself shall be entitled to the
27 sales tax exemption under the provisions of subsection (cc) of K.S.A. 79-
28 3606, and amendments thereto. When such person leases less than the
29 total facility to an eligible business, a project exemption certificate may
30 be granted on: (1) The total cost of constructing, reconstructing, remodel-
31 ing or enlarging, the facility multiplied by a fraction given by dividing
32 the number of leased square feet eligible for the sales tax exemption by
33 the total square feet being constructed, reconstructed, remodeled or en-
34 larged; or (2) the actual cost of constructing, reconstructing, remodeling
35 or enlarging that portion of the facility to be occupied by the eligible
36 business, as the person may elect.

37 (e) A business may qualify for a sales tax exemption under subsection
38 (cc) of K.S.A. 79-3606, and amendments thereto, without regard to any
39 of the foregoing requirements of this section if it is certified as a qualified
40 firm by the secretary of commerce and housing pursuant to K.S.A. 2001
41 Supp. 74-50,131, and amendments thereto, and is entitled to the corpo-
42 rate tax credit established in K.S.A. 2001 Supp. 74-50,132, and amend-
43 ments thereto, or has received written approval for participation and has

1 participated, during the tax year in which the exemption is claimed, in
2 training assistance by the department of commerce and housing under
3 the Kansas industrial training, Kansas industrial retraining or state of Kan-
4 sas investments in lifelong learning program.

5 (f) The secretary may adopt rules and regulations to implement and
6 administer the provisions of this section.

7 Sec. 3. K.S.A. 2001 Supp. 74-50,115 is hereby repealed.

8 Sec. 4. This act shall take effect and be in force from and after its
9 publication in the Kansas register.

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