

## SENATE BILL No. 177

By Senator Jordan

2-10

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AN ACT concerning taxation; providing for a tax credit against the income tax liability of certain business firms.

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

Section 1. (a) For taxable years commencing after December 31, 2002, any business firm which has entered into a partnership agreement pursuant to subsection (d) shall be allowed a credit against the income tax imposed by the Kansas income tax act as follows:

(1) An amount equal to 25% of the amount paid during the taxable year by such business firm to teachers as salary pursuant to the partnership agreement; or

(2) an amount equal to 30% of the amount paid during the taxable year by such business firm to teachers as salary pursuant to the partnership agreement if the teacher is teaching in a school district located in a rural community or underperforming urban area.

(b) The credit allowed by this section shall not exceed the amount of tax imposed under the Kansas income tax act reduced by the sum of any other credits allowable pursuant to law.

(c) As used in this section:

(1) "Business firm" means any business entity authorized to do business in the state of Kansas which is subject to the state income tax imposed by the provisions of the Kansas income tax act and any individual subject to the state income tax imposed by the provisions of the Kansas income tax act.

(2) "Underserved area" shall have the meaning ascribed thereto by K.S.A. 74-32,101, and amendments thereto.

(3) "Teacher" means a person who holds a certificate to teach in Kansas with an endorsement in the areas of mathematics, science, physics, chemistry or biology, is teaching in an underserved area and has entered into a partnership agreement.

(4) "Partnership agreement" means an agreement entered into pursuant to subsection (d).

(5) "Rural community" shall have the meaning ascribed thereto by K.S.A. 79-32,195, and amendments thereto.

(6) "Underperforming urban area" means an area of the state in

1 which low academic performance by pupils in school districts in such area  
2 as determined and specified by the state board of education.

3 (d) The board of education of any school district, teacher and busi-  
4 ness firm may enter a partnership agreement under which such business  
5 firm agrees to employ such teacher during the months in which school is  
6 not regularly in session.

7 Sec. 2. This act shall take effect and be in force from and after its  
8 publication in the statute book.

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