

As Amended by House Committee

Session of 2006

HOUSE BILL No. 2745

By Committee on Higher Education

1-26

10 AN ACT relating to higher education; concerning ~~the educational build-~~  
11 ~~ing fund~~ **income taxation, surtax**; providing certain authority and  
12 duties for the board of regents; amending ~~K.S.A. 76-6b02 and K.S.A.~~  
13 ~~2005 Supp. 76-6b01~~ **K.S.A. 2005 Supp. 79-32,110** and repealing the  
14 existing sections **section**.

15  
16 *Be it enacted by the Legislature of the State of Kansas:*

17 New Section 1. As used in this act:

18 (a) “Board of regents” or board means the state board of regents  
19 established by K.S.A. 74-3202a, and amendments thereto.

20 (b) “State institutions of higher education” means any community  
21 college, municipal university, technical college or state educational insti-  
22 tution, as such terms are defined in K.S.A. 74-3201b, and amendments  
23 thereto.

24 New Sec. 2. (a) The board of regents shall utilize ~~the three mill in-~~  
25 ~~crease provided for in section 3~~ **proceeds of the surtax provided for**  
26 **in subsection (e) of K.S.A. 79-32,110**, and amendments thereto, in  
27 accordance with this section. The board may adopt rules and regulations  
28 and policies relating thereto.

29 (b) ~~Two mills of such increase~~ **Two-thirds of such surtax** shall be  
30 used ~~to establish a revolving loan fund~~ for infrastructure projects at state  
31 institutions of higher education. The board shall select projects that pro-  
32 tect previous taxpayer investments, maintain building integrity, modern-  
33 ize facilities to meet anticipated uses over the next 20 years, and provide  
34 weatherization and energy efficiency.

35 (c) ~~One mill of the increased mill levy~~ **One-third of the surtax** shall  
36 be used ~~to establish a revolving loan fund~~ for state institutions of higher  
37 education for technology investments and new programs which empha-  
38 size investments benefiting student educational opportunities, job train-  
39 ing, admission to graduate and professional programs and faculty research  
40 opportunities.

41 (d) Projects for infrastructure pursuant to subsection (b) and projects  
42 for technology and new programs pursuant to subsection (c) shall be  
43 prioritized and compiled by the board of regents and shall be subject to

1 the approval of the joint committee on state building construction prior  
2 to appropriation of money for such projects.

3 (e) The board of regents shall adopt a report annually on recom-  
4 mended projects and progress toward infrastructure and technology ob-  
5 jectives provided for in subsections (b) and (c).

6 ~~Sec. 3. K.S.A. 2005 Supp. 76-6b01 is hereby amended to read as~~  
7 ~~follows: 76-6b01. (a) There is hereby levied an annual permanent state~~  
8 ~~tax upon all tangible property in this state which is subject to ad valorem~~  
9 ~~taxation. The tax levy shall be .6 mill in the year 2003 and 1 mill in the~~  
10 ~~year 2004 and 2006 and 4 mills in the years 2007 through 2013, and 1~~  
11 ~~mill each year thereafter until changed by statute. Such tax levy shall be~~  
12 ~~in addition to all other state tax levies authorized by law. Such tax levy~~  
13 ~~shall be for the use and benefit of the state institutions of higher educa-~~  
14 ~~tion. The proceeds of such tax levy shall be apportioned in accordance~~  
15 ~~with this act.~~

16 ~~—(b)—The county treasurer of each county shall make the proceeds of~~  
17 ~~the tax levy provided for in this section available to the state treasurer~~  
18 ~~immediately upon collection. When available the state treasurer shall~~  
19 ~~withdraw from each county the proceeds of the taxes raised by such tax~~  
20 ~~levy. Upon such withdrawal the state treasurer shall deposit the same in~~  
21 ~~the state treasury and shall credit the same as provided in K.S.A. 76-6b02,~~  
22 ~~and amendments thereto.~~

23 ~~—Sec. 4. K.S.A. 76-6b02 is hereby amended to read as follows: 76-~~  
24 ~~6b02. (a) All moneys received by the state treasurer under K.S.A. 76-~~  
25 ~~6b01, and amendments thereto, shall be credited to the Kansas educa-~~  
26 ~~tional building fund to be used for: (1) Projects pursuant to section 2, and~~  
27 ~~amendments thereto, and (2) for projects for the construction, reconstruc-~~  
28 ~~tion, equipment and repair of buildings and grounds at the state educa-~~  
29 ~~tional institutions under the control and supervision of the state board of~~  
30 ~~regents and for payment of debt service on revenue bonds issued to fi-~~  
31 ~~nance such projects, all subject to appropriation by the legislature.~~

32 ~~—(b)—Subject to any restrictions imposed by appropriation acts, the~~  
33 ~~state board of regents is authorized to pledge funds appropriated to it~~  
34 ~~from the Kansas educational building fund or from any other source and~~  
35 ~~transferred to a special revenue fund of the state board of regents spec-~~  
36 ~~ified by statute for the payment of debt service on revenue bonds issued~~  
37 ~~for the purposes set forth in subsection (a). Subject to any restrictions~~  
38 ~~imposed by appropriation acts, the state board of regents is also author-~~  
39 ~~ized to pledge any funds appropriated to it from the Kansas educational~~  
40 ~~building fund or from any other source and transferred to a special rev-~~  
41 ~~enue fund of the state board of regents specified by statute as a priority~~  
42 ~~for the payment of debt service on such revenue bonds. Neither the state~~  
43 ~~or the state board of regents shall have the power to pledge the faith and~~

1 ~~credit or taxing power of the state of Kansas for such purposes and any~~  
2 ~~payment by the state board of regents for such purposes shall be subject~~  
3 ~~to and dependent on appropriations being made from time to time by~~  
4 ~~the legislature. Any obligation of the state board of regents for payment~~  
5 ~~of debt service on revenue bonds and any such revenue bonds issued for~~  
6 ~~the purposes set forth in subsection (a) shall not be considered a debt or~~  
7 ~~obligation of the state for the purpose of section 6 of article 11 of the~~  
8 ~~constitution of the state of Kansas.~~

9 **Sec. 3. K.S.A. 2005 Supp. 79-32,110 is hereby amended to**  
10 **read as follows: 79-32,110. (a) Resident Individuals. Except as oth-**  
11 **erwise provided by subsection (a) of K.S.A. 79-3220, and amend-**  
12 **ments thereto, a tax is hereby imposed upon the Kansas taxable**  
13 **income of every resident individual, which tax shall be computed**  
14 **in accordance with the following tax schedules:**

15 (1) *Married individuals filing joint returns.*

16 If the taxable income is:	The tax is:
17 Not over \$30,000 .....	3.5% of Kansas taxable income
18 Over \$30,000 but not over \$60,000 ....	\$1,050 plus 6.25% of excess over
19	\$30,000
20 Over \$60,000 .....	\$2,925 plus 6.45% of excess over
21	\$60,000

22 (2) *All other individuals.*

23 (A) **For tax year 1997:**

24 If the taxable income is:	The tax is:
25 Not over \$20,000 .....	4.1% of Kansas taxable income
26 Over \$20,000 but not over \$30,000 ....	\$820 plus 7.5% of excess over \$20,000
27 Over \$30,000 .....	\$1,570 plus 7.75% of excess over
28	\$30,000

29 (B) **For tax year 1998, and all tax years thereafter:**

30 If the taxable income is:	The tax is:
31 Not over \$15,000 .....	3.5% of Kansas taxable income
32 Over \$15,000 but not over \$30,000 ....	\$525 plus 6.25% of excess over \$15,000
33 Over \$30,000 .....	\$1,462.50 plus 6.45% of excess over
34	\$30,000

35 (b) *Nonresident Individuals.* **A tax is hereby imposed upon the**  
36 **Kansas taxable income of every nonresident individual, which tax**  
37 **shall be an amount equal to the tax computed under subsection (a)**  
38 **as if the nonresident were a resident multiplied by the ratio of**  
39 **modified Kansas source income to Kansas adjusted gross income.**

40 (c) *Corporations.* **A tax is hereby imposed upon the Kansas tax-**  
41 **able income of every corporation doing business within this state**  
42 **or deriving income from sources within this state. Such tax shall**  
43 **consist of a normal tax and a surtax and shall be computed as fol-**

1 **laws:**

2 **(1) The normal tax shall be in an amount equal to 4% of the**  
3 **Kansas taxable income of such corporation; and**

4 **(2) the surtax shall be in an amount equal to 3.35% of the Kan-**  
5 **sas taxable income of such corporation in excess of \$50,000.**

6 **(d) *Fiduciaries.* A tax is hereby imposed upon the Kansas taxable**  
7 **income of estates and trusts at the rates provided in paragraph (2)**  
8 **of subsection (a) hereof.**

9 *(e) In addition to the tax imposed pursuant to subsections (a) and (b),*  
10 *for tax year 2006, and all tax years thereafter, a surtax shall be imposed*  
11 *on resident individuals and nonresident individuals in the amount of*  
12 *3.65% of the tax due pursuant to subsections (a) and (b), computed with-*  
13 *out regard to any applicable income tax credits.*

14 ~~Sec. 5. K.S.A. 76-6b02 and K.S.A. 2005 Supp. 76-6b01 are hereby~~  
15 ~~repealed.~~

16 **Sec. 4. K.S.A. 2005 Supp. 79-32,110 is hereby repealed.**

17 ~~Sec. 6. Sec. 5.~~ This act shall take effect and be in force from and  
18 after its publication in the statute book.