

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 22, 2006 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Revisor of Statutes
Richard Cram, Department of Revenue
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Melissa Wangemann, Deputy of Secretary of State - Legal

Others attending:

See attached list.

The Chairman updated the Committee on the legislative process.

The minutes from the January 27, 31, February 1, 6, 10, March 8, 10, 13, 14, 15, 16, 17, 20, 21 and 22, 2006 Taxation Committee Meetings were approved by consensus of the Committee.

Representative O'Malley made a motion to introduce a bill regarding an increase of authority of a drainage district in Mission, Kansas to implement a new mill levy limit from 5 mills to 10 mills. Seconded by Representative Davis. The motion passed.

HB 2689 - Authorizing countywide retailers' sales tax for Crawford County

Representative O'Malley made a motion to amend **HB 2689**, adding the Johnson Country sales tax increase to the list of other sales tax increases already listed in the bill. Representative Owens seconded the bill. The motion carried.

Chairman Wilk advised Gordon Self that although they normally address the conflict reconciliation issues with these type bills, on this particular bill he wanted to keep the bill as it is. The Senate will deal with the conflict reconciliation issue at a later time.

Representative Huff made a motion to move out a **Substitute for HB 2689**, as amended, in the form of a substitute bill. Representative Owens seconded the motion. The motion carried.

SB 365 - Enacting the Kansas estate tax act

The Chairman explained that **SB 365** was an estate tax. It is of interest to the Chamber as a Whole and passed the Senate with a wide margin. The Committee added Representative Goico's amendment and they are now ready to work the bill.

The Chairman explained that there was consensus of leadership to amend **HB 2619**, including: Representative Siegfroid "slider" amendment, and Representative Mah's floor amendment, a tax credit for seniors into **SB 365**. The Homestead amendment, added on the floor would not be included in the bill. It was also leadership's desire to amend **Substitute for HB 2525**, the trailer bill, into **SB 365**.

Representative Goico made a motion to amend **SB 365** and roll in two bills: 1) **HB 2619**, as it left the Committee, with the Mah amendment; and 2) **HB 2525**, as it passed off the floor. Representative Siegfroid seconded the motion. The motion carried.

Representative Goico made a motion that they move **SB 365**, as amended, favorable for passage. Representative Siegfroid seconded the motion. The motion carried.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 22, 2006 in Room 519-S of the Capitol.

SB 358 - Withholding requirements; filing certain statements by electronic means.

Chris Courtwright said that **Sub. for SB 358** would require entities filing withholding tax statements with the Department of Revenue to file such statements electronically when reporting information for 51 or more employees.

Representative Dillmore made a motion to move out **Sub. for SB 358**, favorable for passage. Representative Menghini seconded the motion. The motion carried.

SB 359 - Would remove statutory limits relative to the maximum amount of money that can be held in various tax refund funds administered by the Department of Revenue. Secretary Wagon requested this bill and passed the Senate without amendments.

Representative Huff made a motion to amend **SB 423** into **SB 359**. Representative Siegfried seconded the motion.

The Chairman explained that **SB 423** was a bill by former Representative Carol Beggs that had been offered multiple years and passed the House easily each time. He called attention to the language on page two, lines seven through ten, especially the words "shall" and "may".

Representative Brunk made a substitute motion to change "may" to "shall" on page two, line nine. Representative Goico seconded the motion.

Discussion followed regarding the merits of giving the court discretion to make decisions on each case.

Representative Brunk closed his substitute motion. The motion passed 11-10.

Representative Goico made the motion to pass out **SB 359**, as amended, favorable for passage. The motion carried.

HB 2948 - Would remove the fiscal implications on fees for filing and provides the Secretary of State the latitude on paperwork.

A balloon was distributed to the Committee (Attachment 1).

Gordon explained the original bill eliminated the annual report fee. The balloon would strike all references to that, thus the annual report fee would remain as it was, with the exception of four or five clean-up technical changes. There was also a change on page 25, line 32, making January 1, 2007 the effective date.

Representative O'Malley made a motion to adopt the balloon. Representative Gordon seconded the motion.

Lengthy discussion followed regarding the intent of the bill, process of revenue/fees collection and pros and cons of the amendment.

Representative O'Malley withdrew his motion to adopt the balloon and said he would support the underlying bill. There was no objection from the second, Representative Gordon.

Representative Menghini made a motion to amend the balloon into **HB 2948**. Representative Dillmore seconded the motion.

Representative Carlson made a substitute motion to pass out **HB 2948** as originally presented with the addition of the effective date on page 25, line 32. Representative Kelly seconded the motion.

Representative Treaster made the motion to table **HB 2948**. Representative Thull seconded the motion. The motion passed 10-8. The following Representatives requested to be recorded as a NO

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 22, 2006 in Room 519-S of the Capitol.

vote: Brunk, Carlson, George, Goico, Gordon, Siegfried.

The Chairman thanked the Committee, the Leadership team and Staff for their hard work. He recognized the work done by Representative Huff during his legislative career and said he was honored to serve as their Committee Chairman.

The meeting adjourned at 10:15 A.M. There are no additional scheduled meetings at this time.

HOUSE TAXATION COMMITTEE GUEST LIST

DATE: March 22, 2006

NAME	REPRESENTING
Derck Hein	Hein Law Firm
Elaine Cook	Citizen
Phil Cook	voter
April Cook	Citizen
Ben Harrison	KFB
Mike Murray	Sprint
Marce Carpenter	KS Chamber
Angi Stoner	Walmart
Jeff Gundersen	KS Chamber
Ben Cleaves	DOR
Larry R. Baer	LKM
Michelle Peterson	Capitol Strategies
Shahira Stafford	Kansas Assn. of Realtors
Jackie Clark	Hallmark Cards
Michelle Jean Smith	KIHA
Luke Bell	Kearney and Associates
Leslie Kaufman	Ks Coop Council
Richard S. S. S.	Energy & Assoc
Roger Hamm	KDOR

HOUSE BILL No. 2948

Proposed Amendments to HOUSE BILL No. 2948

By Committee on Taxation

2-15

9 AN ACT concerning business entities; relating to annual reports; filing;
10 fees; requirements; amending K.S.A. 56-1a606, 56-1a607, 56-1a608,
11 56a-1201, 56a-1202 and 56a-1203 and K.S.A. 2005 Supp. 17-1513, 17-
12 1618, 17-2036, 17-2037, 17-2718, 17-4634, 17-4677, 17-6709, 17-7002,
13 17-7503, 17-7504, 17-7505, 17-7507, 17-7509, 17-7510, 17-7512, 17-
14 76,125, 17-76,139 and 79-5401 and repealing the existing sections, also
15 repealing K.S.A. 2005 Supp. 17-6806 and 75-446.

and

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

18 Section 1. K.S.A. 2005 Supp. 17-1513 is hereby amended to read as
19 follows: 17-1513. Each corporation organized under the provisions of this
20 act shall make an annual report to the secretary of state, and pay the
21 annual report fee, as prescribed by K.S.A. 17-7503, and amendments
22 thereto.

23 Sec. 2. K.S.A. 2005 Supp. 17-1618 is hereby amended to read as
24 follows: 17-1618. Each association formed under this act, or acts amen-
25 datory thereto, shall prepare and make an annual report to the secretary
26 of state, and pay the annual report fee, as prescribed by K.S.A. 17-7504,
27 and amendments thereto, except that the report shall be filed at the time
28 prescribed by law for filing the association's annual Kansas income tax
29 return.

Section 1.

30 Sec. 3. K.S.A. 2005 Supp. 17-2036 is hereby amended to read as
31 follows: 17-2036. (a) Every business trust shall make an annual report in
32 writing to the secretary of state, stating the prescribed information con-
33 cerning the business trust at the close of business on the last day of its
34 tax period under the Kansas income tax act next preceding the date of
35 filing, but if a business trust's tax period is other than the calendar year,
36 it shall give notice thereof to the secretary of state prior to December 31
37 of the year it commences such tax period. The reports shall be made on
38 forms provided by the secretary of state and shall be filed at the time
39 prescribed by law for filing the business trust's annual Kansas income tax
40 return. The report shall be dated, signed by a trustee or other authorized
41 officer under penalty of perjury, and contain the following information:

42 (1) Executed copies of all amendments to the instrument by which
43 the business trust was created, or to prior amendments thereto, which

1 have been adopted and have not theretofore been filed under K.S.A. 17-
2 2033, and amendments thereto, and accompanied by the fee prescribed
3 ~~therein by such section~~ for each such amendment; and

4 (2) a verified list of the names and addresses of its trustees as of the
5 end of its tax period.

6 (b) ~~(1) At the time of filing its annual report, the business trust shall~~
7 ~~pay to the secretary of state an annual report fee in an amount equal to~~
8 ~~\$40.~~

(1) At the time of filing its annual report, the business trust shall pay to the secretary of state an annual report fee in an amount equal to \$40.

9 ~~(2) The failure of any domestic or foreign business trust to file its~~
10 ~~annual report and pay its annual report fee, within 90 days from the date~~
11 ~~on which they are such report is due, as aforesaid provided by this section,~~
12 ~~shall work a forfeiture of its authority to transact business in this state~~
13 ~~and all of the remedies, procedures, and penalties specified in K.S.A. 17-~~
14 ~~7509 and 17-7510, and amendments thereto, with respect to a corporation~~
15 ~~which fails to file its annual report or pay its annual report fee within 90~~
16 ~~days after they are such report is due, shall be applicable to such business~~
17 ~~trust.~~

(2)

and pay its annual report fee

or pay its annual report fee

18 (c) All copies of applications for extension of the time for filing in-
19 come tax returns submitted to the secretary of state pursuant to law shall
20 be maintained by the secretary of state in a confidential file and shall not
21 be disclosed to any person, except as authorized pursuant to the provisions
22 of K.S.A. 79-3234, and amendments thereto, a proper judicial order and
23 subsection (d). All copies of such applications shall be preserved for one
24 year and until the secretary of state orders that the copies are to be
25 destroyed.

26 (d) A copy of such application shall be open to inspection by or dis-
27 closure to any person designated by resolution of the trustees of the busi-
28 ness trust.

29 Sec. 4. K.S.A. 2005 Supp. 17-2037 is hereby amended to read as
30 follows: 17-2037. (a) Any business trust, domestic or foreign, which has
31 obtained authority under this act to transact business in Kansas may sur-
32 render its authority at any time by filing in the office of the secretary of
33 state a certified copy of a resolution duly adopted by its trustees declaring
34 its intention to withdraw, accompanied by a withdrawal fee of \$20; and
35 filing all annual reports ~~and paying all annual report fees~~ required by
36 K.S.A. 17-2036, and amendments thereto, ~~and not previously filed and~~
37 ~~paid.~~ During a period of five years following the effective date of such
38 withdrawal the business trust shall nevertheless be entitled to convey and
39 dispose of its property and assets in this state, settle and close out its
40 business in this state, and perform any other act or acts pertinent to the
41 liquidation of its business, property, and assets in this state, and to pros-
42 ecute and defend all suits filed prior to the expiration of such five-year
43 period involving causes of action arising prior to the effective date of such

1 withdrawal or arising out of any act or transaction occurring during such
 2 five-year period in the course of the liquidation of its business, property
 3 or assets.

4 (b) The withdrawal of a business trust as provided in this section shall
 5 have no effect upon any suit filed by or against it prior to the expiration
 6 of such five-year period until such suit has been finally determined or
 7 otherwise finally concluded and all judgments, orders and decrees en-
 8 tered therein have been fully executed, even though such final determi-
 9 nation, conclusion, or execution occurs after the expiration of such five-
 10 year period. With respect to a foreign business trust, withdrawal pursuant
 11 to this section shall not affect its written consent to be sued in the courts
 12 of this state, or the jurisdiction over such foreign business trust of the
 13 courts of this state, with respect to any cause of action which arose prior
 14 to the effective date of its withdrawal.

15 ~~Sec. 5. K.S.A. 2005 Supp. 17-2718 is hereby amended to read as~~
 16 follows: 17-2718. (a) Each professional corporation organized under the
 17 laws of this state shall file with the secretary of state an annual report in
 18 writing and a copy or duplicate thereof, stating the prescribed information
 19 concerning the corporation at the close of business on the last day of its
 20 tax period next preceding the date of filing, ~~but~~ *except that* if any such
 21 corporation's tax period is other than the calendar year it shall give notice
 22 thereof to the secretary of state prior to December 31 of the year it
 23 commences such tax period. The report shall be filed at the time pre-
 24 scribed by law for filing the corporation's annual Kansas income tax re-
 25 turn. The report shall be made on a form provided by the secretary of
 26 state, containing the following information:

27 (1) The names and addresses of all officers, directors and sharehold-
 28 ers of the professional corporation;

29 (2) a statement that each officer, director and shareholder is or is not
 30 a qualified person as defined in K.S.A. 17-2707, and amendments thereto,
 31 and setting forth the date on which any shares of the corporation were
 32 no longer owned by a qualified person; and

33 (3) the amount of capital stock issued.

34 (b) The report shall be signed by its president, secretary, treasurer
 35 or other officer duly authorized so to act, or by any two of its directors,
 36 or by an incorporator in the event its board of directors shall not have
 37 been elected. The fact that an individual's name is signed on such report
 38 shall be prima facie evidence that such individual is authorized to sign
 39 the report on behalf of the corporation; however, the official title or po-
 40 sition of the individual signing the report shall be designated. This report
 41 shall be dated and subscribed by the person as true, under penalty of
 42 perjury. ~~The~~ *Upon request by the regulatory body which licenses the*
 43 *shareholders described in the report, a copy of the annual report or the*

Sec. 2.

1 duplicate original copy of the annual report shall be forwarded to the *such*
 2 regulatory board which licenses the shareholders described in the report
 3 body. At the time of filing its annual report, each professional corporation
 4 shall pay the annual report fee prescribed by K.S.A. 17-7503, and amend-
 5 ments thereto.

At the time of filing its annual report, each professional corporation shall pay the annual report fee prescribed by K.S.A. 17-7503, and amendments thereto.

6 ~~Sec. 6.~~ K.S.A. 2005 Supp. 17-4634 is hereby amended to read as
 7 follows: 17-4634. (a) Every corporation organized under the electric co-
 8 operative act of this state shall make an annual report in writing to the
 9 secretary of state, stating the prescribed information concerning the cor-
 10 poration at the close of business on the last day of its tax period next
 11 preceding the date of filing, ~~but~~ *except that* if any such corporation's tax
 12 period is other than the calendar year, it shall give notice thereof to the
 13 secretary of state prior to December 31 of the year it commences such
 14 tax period. The report shall be filed on or before the fifteenth day of the
 15 ~~fourth~~ *sixth* month following the close of the tax year of the electric co-
 16 operative. The report shall be made on a form provided by the secretary
 17 of state, containing the following information:

Sec. 3.

- 18 (1) The name of the corporation;
- 19 (2) the location of the principal office;
- 20 (3) the names and addresses of the president, secretary, treasurer and
- 21 all directors;
- 22 (4) the number of memberships issued; and
- 23 (5) the change or changes, if any, in the particulars made since the
- 24 last annual report.

25 (b) Such reports shall be *dated*, signed by the president, vice-presi-
 26 dent or secretary of the corporation, ~~sworn to before an officer duly au-~~
 27 ~~thorized to administer oaths under penalty of perjury~~ and forwarded to
 28 the secretary of state. At the time of filing such annual report, each such
 29 corporation shall pay an annual report fee in an amount equal to \$40.

At the time of filing such annual report, each such corporation shall pay an annual report fee in an amount equal to \$40.

30 ~~Sec. 7.~~ K.S.A. 2005 Supp. 17-4677 is hereby amended to read as
 31 follows: 17-4677. (a) Every cooperative organized under the renewable
 32 energy electric generation cooperative act shall make an annual report in
 33 writing to the secretary of state, stating the prescribed information con-
 34 cerning the cooperative at the close of business on the last day of its tax
 35 period next preceding the date of filing, ~~but~~ *except that* if any such co-
 36 operative's tax period is other than the calendar year, it shall give notice
 37 thereof to the secretary of state prior to December 31 of the year it
 38 commences such tax period. The report shall be filed on or before the
 39 15th day of the ~~fourth~~ *sixth* month following the close of the tax year of
 40 the electric cooperative. The report shall be made on a form provided by
 41 the secretary of state, containing the following information:

Sec. 4.

- 42 (1) The name of the cooperative;
- 43 (2) the location of the principal office of the cooperative;

1 (3) the names and addresses of the president, secretary, treasurer and
2 directors of the cooperative;

3 (4) the number of members of the cooperative; and

4 (5) the change or changes, if any, in the particulars made since the
5 last annual report.

6 (b) The annual report shall be *dated*, signed by the president, vice-
7 president or secretary of the cooperative, ~~sworn to before an officer duly~~
8 ~~authorized to administer oaths, under penalty of perjury~~ and forwarded
9 to the secretary of state. ~~At the time of filing such annual report, the~~
10 ~~cooperative shall pay an annual report fee in an amount equal to \$40.~~

At the time of filing such annual report, the cooperative shall pay an annual report fee in an amount equal to \$40.

11 **Sec. 8.** K.S.A. 2005 Supp. 17-6709 is hereby amended to read as
12 follows: 17-6709. (a) ~~No merger or consolidation shall become effective~~
13 ~~under this act until all corporate fees due to or assessable by the state~~
14 ~~have been paid by the constituent corporations. Any fees or taxes which~~
15 ~~become due to or assessable by the state with respect to any such con-~~
16 ~~stituent corporation, subsequent to the merger or consolidation, shall be-~~
17 ~~come the debt of the resulting or surviving corporation. When any merger~~
18 ~~or consolidation has become~~ *becomes* effective under this act, for all pur-
19 poses of the laws of this state the separate existence of all the constituent
20 corporations, or of all such constituent corporations except the one into
21 which the other or others of such constituent corporations have been
22 merged, as the case may be, shall cease and the constituent corporations
23 shall become a new corporation, or be merged into one of such corpo-
24 rations, as the case may be, possessing all the rights, privileges, powers
25 and franchises as well of a public as of a private nature, and being subject
26 to all the restrictions, disabilities and duties of each of such corporations
27 ~~so merged or consolidated, and~~ All and singular, the rights, privileges,
28 powers and franchises of each of such corporations, and all property, real,
29 personal and mixed, and all debts due to any of such constituent corpo-
30 rations on whatever account, as well for stock subscriptions as all other
31 things in action or belonging to each of such corporations shall be vested
32 in the corporation surviving or resulting from such merger or consolida-
33 tion, ~~and~~ All property, rights, privileges, powers and franchises, and all
34 and every other interest ~~after such merger or consolidation~~ shall be ~~there-~~
35 ~~after~~ as effectually the property of the surviving or resulting corporation
36 as ~~they~~ *such interests* were of the several and respective constituent cor-
37 porations, and the title to any real estate vested by deed or otherwise,
38 under the laws of this state, in any of such constituent corporations, shall
39 not revert or be in any way impaired by reason of this act, ~~but, except~~
40 ~~that~~ all rights of creditors and all liens upon any property of any of such
41 constituent corporations shall be preserved unimpaired, and all debts,
42 liabilities and duties of the respective constituent corporations shall
43 ~~thenceforth~~ *after such merger or consolidation* attach to such surviving

1 or resulting corporation, and may be enforced against ~~it~~ *such surviving*
2 *or resulting corporation* to the same extent as if such debts, liabilities and
3 duties had been incurred or contracted by ~~it~~ *such surviving or resulting*
4 *corporation*.

5 (b) In the case of a merger of banks or trust companies, without any
6 order or action on the part of any court or otherwise, all appointments,
7 designations and nominations, and all other rights and interests as trustee,
8 executor, administrator, registrar of stocks and bonds, guardian of estates,
9 assignee, receiver, trustee of estates of persons mentally ill and in every
10 other fiduciary capacity, shall be automatically vested in the corporation
11 surviving such merger, except that any party in interest shall have the
12 right to apply to an appropriate court or tribunal for a determination as
13 to whether the surviving corporation shall continue to serve in the same
14 fiduciary capacity as the merged corporation, or whether a new and dif-
15 ferent fiduciary should be appointed.

16 Sec. 9. K.S.A. 2005 Supp. 17-7002 is hereby amended to read as Sec. 5.
17 follows: 17-7002. (a) Any corporation may procure an extension, ~~resto-~~
18 ~~ration,~~ renewal or ~~revival~~ *reinstatement* of its articles of incorporation, if
19 a domestic corporation, or its authority to engage in business, if a foreign
20 corporation, together with all the rights, franchises, privileges and im-
21 munities and subject to all of its duties, debts and liabilities which had
22 been secured or imposed by its original articles of incorporation, and all
23 amendments thereto, or by its authority to engage in business, as the case
24 may be, and may designate a new registered office and resident agent in
25 the following instances:

26 (1) At any time before the expiration of the time limited for the cor-
27 poration's existence;

28 (2) at any time, where the corporation's articles of incorporation, if a
29 domestic corporation, or the authority to engage in business, if a foreign
30 corporation, has become inoperative by law for nonpayment of taxes *or*
31 *fees, or for failure to file such corporation's annual report;*

32 (3) at any time, where the articles of incorporation of a domestic
33 corporation or the authority to engage in business of a foreign corporation
34 has expired by reason of failure to renew it;

35 (4) at any time, where the articles of incorporation of a domestic
36 corporation or the authority to engage in business of a foreign corporation
37 has been renewed, but through failure to comply strictly with the provi-
38 sions of this act, the validity of such renewal has been brought into ques-
39 tion; and

40 (5) at any time, where the articles of incorporation of a domestic
41 corporation or the authority to engage in business of a foreign corporation
42 has been forfeited pursuant to subsection (c) of K.S.A. 17-6206, and
43 amendments thereto.

1 (b) The extension, ~~restoration~~, renewal or ~~revival~~ *reinstatement* of the
2 articles of incorporation or authority to engage in business may be pro-
3 cured by executing and filing a certificate in accordance with K.S.A. 17-
4 6003, and amendments thereto.

5 (c) The certificate required by subsection (b) shall state:

6 (1) The name of the corporation, which shall be the existing name of
7 the corporation or the name it bore when its articles of incorporation or
8 authority to engage in business expired, except as provided in subsection
9 (e);

10 (2) if a new registered office and resident agent is designated, the
11 address of the corporation's registered office in this state, which shall
12 include the street, city and zip code and the name of its resident agent
13 at such address;

14 (3) whether or not the renewal, ~~restoration~~ or ~~revival~~ *reinstatement*
15 is to be perpetual and, if not perpetual, the time for which the renewal,
16 ~~restoration~~ or ~~revival~~ *reinstatement* is to continue; and, in case of renewal
17 before the expiration of the time limited for its existence, the date when
18 the renewal is to commence, which shall be prior to the date of the
19 expiration of the old articles of incorporation or authority to engage in
20 business which it is desired to renew;

21 (4) that the corporation desiring to be renewed or ~~revived~~ and so
22 ~~renewing or reviving its corporate existence~~ *reinstated* was duly organized
23 under the laws of the state of its original incorporation;

24 (5) the date when the articles of incorporation or the authority to
25 engage in business would expire, if such is the case, or such other facts
26 as may show that the articles of incorporation or the authority to engage
27 in business has become inoperative or void or that the validity of any
28 renewal or *reinstatement* has been brought into question; and

29 (6) that the certificate for *revival reinstatement* is filed by authority
30 of those who were directors or members of the governing body of the
31 corporation at the time its articles of incorporation or the authority to
32 engage in business expired, or who were elected directors or members
33 of the governing body of the corporation as provided in subsection (g).

34 (d) Upon the filing of the certificate in accordance with K.S.A. 17-
35 6003, and amendments thereto, the corporation shall be renewed and
36 ~~revived~~ *reinstated* with the same force and effect as if its articles of in-
37 corporation had not become inoperative and void or had not expired by
38 limitation. Such *renewal and* reinstatement shall validate all contracts,
39 acts, matters and things made, done and performed within the scope of
40 its articles of incorporation by the corporation, its officers and agents
41 during the time when its articles of incorporation were inoperative or
42 void or after their expiration by limitation, with the same force and effect
43 and to all intents and purposes as if the articles of incorporation had at

1 all times remained in full force and effect. All real and personal property,
2 rights and credits, which belonged to the corporation at the time its ar-
3 ticles of incorporation became inoperative or void, or expired by limitation
4 and which were not disposed of prior to the time of its revival or renewal
5 *reinstatement* shall be vested in the corporation after its ~~revival or renewal~~
6 *or reinstatement*, as fully and amply as they were held by the corporation
7 at and before the time its articles of incorporation became inoperative or
8 void or expired by limitation, and the corporation after its renewal or
9 ~~revival~~ *reinstatement* shall be as exclusively liable for all contracts, acts,
10 matters and things made, done or performed in its name and on its behalf
11 by its officers and agents prior to its *renewal or reinstatement*, as if its
12 articles of incorporation had remained at all times in full force and effect.

13 (e) If, since the articles of incorporation became inoperative or void
14 for nonpayment of taxes, *failure to file annual reports* or expired by lim-
15 itation, any other corporation organized under the laws of this state shall
16 have adopted the same name as the corporation sought to be renewed or
17 ~~revived~~ *reinstated* or shall have adopted a name so nearly similar thereto
18 as not to distinguish it from the corporation to be renewed or ~~revived~~
19 *reinstated*, or any foreign corporation qualified in accordance with K.S.A.
20 17-7301, and amendments thereto, shall have adopted the same name as
21 the corporation sought to be renewed or ~~revived~~ *reinstated*, or shall have
22 adopted a name so nearly similar thereto as not to distinguish it from the
23 corporation to be renewed or ~~revived~~ *reinstated*, then in such case the
24 corporation to be renewed or ~~revived~~ *reinstated* shall not be renewed *or*
25 *reinstated* under the same name which it bore when its articles of incor-
26 poration became inoperative or void or expired, but shall ~~adopt or~~ be
27 renewed *or reinstated* under some other name, ~~and~~. In such case the
28 certificate to be filed under the provisions of this section shall set forth
29 the name borne by the corporation at the time its articles of incorporation
30 became inoperative or void or expired and the new name under which
31 the corporation is to be renewed or ~~revived~~ *reinstated*.

32 (f) Any corporation seeking to renew or ~~revive~~ *reinstated* its articles of
33 incorporation under the provisions of this act shall file all annual reports
34 and pay to the secretary of state an amount equal to ~~all fees~~ \$40 for each
35 *past due annual report* and any penalties thereon due. Nonprofit corpo-
36 rations shall file only the annual reports for the three most recent re-
37 porting periods, ~~but shall pay all fees due. The annual report fee of \$40~~
38 *in existence prior to July 1, 2006, shall apply retroactively to all past due*
39 *annual reports filed with the certificate of reinstatement.*

January 1, 2007,

40 (g) If a sufficient number of the last acting officers of any corporation
41 desiring to renew or ~~revive~~ *reinstated* its articles of incorporation are not
42 available by reason of death, unknown address or refusal or neglect to
43 act, the directors of the corporation or those remaining on the board,

1 even if only one, may elect successors to such officers. In any case where
2 there shall be no directors of the corporation available for the purposes
3 aforesaid, the stockholders may elect a full board of directors, as provided
4 by the bylaws of the corporation, and the board shall then elect such
5 officers as are provided by law, by the articles of incorporation or by the
6 bylaws to carry on the business and affairs of the corporation. A special
7 meeting of the stockholders for the purpose of electing directors may be
8 called by any officer, director or stockholder upon notice given in ac-
9 cordance with K.S.A. 17-6512, and amendments thereto.

10 (h) After a ~~revival~~ *renewal or reinstatement* of the articles of incor-
11 poration of the corporation ~~shall have~~ *has* been effected, except where a
12 special meeting of stockholders has been called in accordance with the
13 provisions of subsection (g), the officers who signed the certificate of
14 revival jointly shall *immediately* call ~~forth~~ *with* a special meeting of the
15 stockholders of the corporation upon notice given in accordance with
16 K.S.A. 17-6512, and amendments thereto, and ~~at the such~~ special meeting
17 the stockholders shall elect a full board of directors, which board shall
18 then elect such officers as are provided by law, by the articles of incor-
19 poration or the bylaws to carry on the business and affairs of the
20 corporation.

21 (i) Whenever it shall be desired to renew or ~~revive~~ *reinstate* the ar-
22 ticles of incorporation of any corporation not for profit and having no
23 capital stock, the governing body shall perform all the acts necessary for
24 the renewal or ~~revival~~ *reinstatement* of the articles of incorporation of the
25 corporation which are performed by the board of directors in the case of
26 a corporation having capital stock. The members of any corporation not
27 for profit and having no capital stock who are entitled to vote for the
28 election of members of its governing body shall perform all the acts nec-
29 essary for the renewal or ~~revival~~ *reinstatement* of the articles of the cor-
30 poration which are performed by the stockholders in the case of a cor-
31 poration having capital stock. In all other respects, the procedure for the
32 renewal or ~~revival~~ *reinstatement* of the articles of incorporation of a cor-
33 poration not for profit and having no capital stock shall conform, as nearly
34 as may be applicable, to the procedure prescribed in this section for the
35 renewal or ~~revival~~ *reinstatement* of the articles of incorporation of a cor-
36 poration having capital stock.

37 Sec. 10. K.S.A. 2005 Supp. 17-7503 is hereby amended to read as
38 follows: 17-7503. (a) Every domestic corporation organized for profit shall
39 make an annual report in writing to the secretary of state, stating the
40 prescribed information concerning the corporation at the close of busi-
41 ness on the last day of its tax period next preceding the date of filing, ~~but~~
42 *except that* if a corporation's tax period is other than the calendar year, it
43 shall give notice thereof to the secretary of state prior to December 31

1 of the year it commences such tax period. The reports shall be made on
2 forms prescribed by the secretary of state. The report shall be filed at the
3 time prescribed by law for filing the corporation's annual Kansas income
4 tax return. The report shall contain the following information:

- 5 (1) The name of the corporation;
- 6 (2) the location of the principal office;
- 7 (3) the names and addresses of the president, secretary, treasurer or
8 equivalent of such officers and members of the board of directors;
- 9 (4) the number of shares of capital stock issued;
- 10 (5) the nature and kind of business in which the corporation is en-
11 gaged; and
- 12 (6) if the corporation is a parent corporation holding more than 50%
13 equity ownership in any other business entity registered with the secretary
14 of state, the name and identification number of any such subsidiary busi-
15 ness entity.

16 (b) Every corporation subject to the provisions of this section which
17 holds agricultural land, as defined in K.S.A. 17-5903, and amendments
18 thereto, within this state shall show the following additional information
19 on the report:

- 20 (1) The acreage and location listed by section, range, township and
21 county of each lot, tract or parcel of agricultural land in this state owned
22 or leased by or to the corporation;
- 23 (2) the purposes for which such agricultural land is owned or leased
24 and, if leased, to whom such agricultural land is leased;
- 25 (3) the value of the nonagricultural assets and the agricultural assets,
26 stated separately, owned and controlled by the corporation both within
27 and without the state of Kansas and where situated;
- 28 (4) the total number of stockholders of the corporation;
- 29 (5) the number of acres owned or operated by the corporation, the
30 number of acres leased by the corporation and the number of acres leased
31 to the corporation;
- 32 (6) the number of acres of agricultural land, held and reported in
33 each category under provision (5), stated separately, being irrigated; and
34 (7) whether any of the agricultural land held and reported under this
35 subsection was acquired after July 1, 1981.

36 (c) The report shall be executed in accordance with the provisions of
37 K.S.A. 17-6003, and amendments thereto. The fact that an individual's
38 name is signed on such report shall be prima facie evidence that such
39 individual is authorized to sign the report on behalf of the corporation;
40 however, the official title or position of the individual signing the report
41 shall be designated. This report shall be dated and subscribed by the
42 person as true, under penalty of perjury. ~~At the time of filing such annual~~
43 ~~report it shall be the duty of each domestic corporation organized for~~

1 profit to pay to the secretary of state an annual report fee in an amount
2 equal to \$40.

3 Sec. 11. K.S.A. 2005 Supp. 17-7504 is hereby amended to read as
4 follows: 17-7504. (a) Every corporation organized not for profit shall make
5 an annual report in writing to the secretary of state, stating the prescribed
6 information concerning the corporation at the close of business on the
7 last day of its tax period next preceding the date of filing, but if a cor-
8 poration's tax period is other than the calendar year, it shall give notice
9 thereof to the secretary of state prior to December 31 of the year it
10 commences such tax period. The reports shall be made on forms pre-
11 scribed by the secretary of state. The report shall be filed on the 15th day
12 of the sixth month following the close of the taxable year. The report shall
13 contain the following information:

- 14 (1) The name of the corporation;
- 15 (2) the location of the principal office;
- 16 (3) the names and addresses of the president, secretary and treasurer
17 or equivalent of such officers, and the members of the governing body;
- 18 (4) the number of memberships or the number of shares of capital
19 stock issued; and
- 20 (5) if the corporation is a parent corporation holding more than 50%
21 equity ownership in any other business entity registered with the secretary
22 of state, the name and identification number of any such subsidiary busi-
23 ness entity.

24 (b) Every corporation subject to the provisions of this section which
25 holds agricultural land, as defined in K.S.A. 17-5903, and amendments
26 thereto, within this state shall show the following additional information
27 on the report:

- 28 (1) The acreage and location listed by section, range, township and
29 county of each lot, tract or parcel of agricultural land in this state owned
30 or leased by or to the corporation;
- 31 (2) the purposes for which such agricultural land is owned or leased
32 and, if leased, to whom such agricultural land is leased;
- 33 (3) the value of the nonagricultural assets and the agricultural assets,
34 stated separately, owned and controlled by the corporation both within
35 and without the state of Kansas and where situated;
- 36 (4) the total number of stockholders or members of the corporation;
- 37 (5) the number of acres owned or operated by the corporation, the
38 number of acres leased by the corporation and the number of acres leased
39 to the corporation;
- 40 (6) the number of acres of agricultural land, held and reported in
41 each category under paragraph (5) of this subsection (b), stated sepa-
42 rately, being irrigated; and
- 43 (7) whether any of the agricultural land held and reported under this

1 subsection was acquired after July 1, 1981.

2 (c) The report shall be executed in accordance with the provisions of
3 K.S.A. 17-6003, and amendments thereto. The fact that an individual's
4 name is signed on such report shall be prima facie evidence that such
5 individual is authorized to sign the report on behalf of the corporation;
6 however, the official title or position of the individual signing the report
7 shall be designated. This report shall be dated and subscribed by the
8 person as true, under penalty of perjury.

9 ~~(d) At the time of filing such report, each nonprofit corporation shall
10 pay an annual report fee in an amount equal to \$40 for all tax years
11 commencing after December 31, 2003.~~

12 Sec. 12. K.S.A. 2005 Supp. 17-7505 is hereby amended to read as
13 follows: 17-7505. (a) Every foreign corporation organized for profit, or
14 organized under the cooperative type statutes of the state, territory or
15 foreign country of incorporation, now or hereafter doing business in this
16 state, and owning or using a part or all of its capital in this state, and
17 subject to compliance with the laws relating to the admission of foreign
18 corporations to do business in Kansas, shall make an annual report in
19 writing to the secretary of state, stating the prescribed information con-
20 cerning the corporation at the close of business on the last day of its tax
21 period next preceding the date of filing, but if a corporation operates on
22 a fiscal year other than the calendar year it shall give written notice thereof
23 to the secretary of state prior to December 31 of the year commencing
24 such fiscal year. The report shall be made on a form prescribed by the
25 secretary of state. The report shall be filed at the time prescribed by law
26 for filing the corporation's annual Kansas income tax return. The report
27 shall contain the following facts:

28 (1) The name of the corporation and under the laws of what state or
29 country it is incorporated;

30 (2) the location of its principal office;

31 (3) the names and addresses of the president, secretary, treasurer, or
32 equivalent of such officers, and members of the board of directors;

33 (4) the number of shares of capital stock issued;

34 (5) the nature and kind of business in which the company is engaged;
35 and

36 (6) if the corporation is a parent corporation holding more than 50%
37 equity ownership in any other business entity registered with the secretary
38 of state, the name and identification number of any such subsidiary busi-
39 ness entity.

40 (b) Every corporation subject to the provisions of this section which
41 holds agricultural land, as defined in K.S.A. 17-5903, and amendments
42 thereto, within this state shall show the following additional information
43 on the report:]

1-13

1 (1) The acreage and location listed by section, range, township and
2 county of each lot, tract or parcel of agricultural land in this state owned
3 or leased by or to the corporation;

4 (2) the purposes for which such agricultural land is owned or leased
5 and, if leased, to whom such agricultural land is leased;

6 (3) the value of the nonagricultural assets and the agricultural assets,
7 stated separately, owned and controlled by the corporation both within
8 and without the state of Kansas and where situated;

9 (4) the total number of stockholders of the corporation;

10 (5) the number of acres owned or operated by the corporation, the
11 number of acres leased by the corporation and the number of acres leased
12 to the corporation;

13 (6) the number of acres of agricultural land, held and reported in
14 each category under paragraph (5) of this subsection (b), stated sepa-
15 rately, being irrigated; and

16 (7) whether any of the agricultural land held and reported under this
17 subsection was acquired after July 1, 1981.

18 (c) The report shall be executed in accordance with the provisions of
19 K.S.A. 17-6003, and amendments thereto. The fact that an individual's
20 name is signed on such report shall be prima facie evidence that such
21 individual is authorized to sign the report on behalf of the corporation;
22 however, the official title or position of the individual signing the report
23 shall be designated. This report shall be dated and subscribed by the
24 person as true, under penalty of perjury.

25 ~~(d) At the time of filing its annual report, each such foreign corpo-~~
26 ~~ration shall pay to the secretary of state an annual report fee in an amount~~
27 ~~equal to \$40.~~

28 Sec. 13. K.S.A. 2005 Supp. 17-7507 is hereby amended to read as
29 follows: 17-7507. No corporation shall be required to file its first annual
30 report under this act, ~~or pay any annual report fee required to accompany~~
31 ~~such report~~, unless such corporation has filed its articles of incorporation
32 or foreign corporation application at least six months prior to the last day
33 of its tax period.

34 Sec. 14. K.S.A. 2005 Supp. 17-7509 is hereby amended to read as
35 follows: 17-7509. (a) In case any corporation organized for profit which
36 is required to file an annual report ~~and pay the annual report fee pre-~~
37 ~~scribed by this act shall fail or neglect to make such report at the time~~
38 ~~prescribed, such corporation shall be subject to a penalty of \$75. Such~~
39 ~~penalty and the annual fee or fees required to be paid by this act may be~~
40 ~~recovered by an action in the name of the state, and all moneys rcovered~~
41 ~~shall be remitted to the state treasurer in accordance with the provisions~~
42 ~~of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such~~
43 ~~remittance, the state treasurer shall deposit the entire amount in the state~~

1 treasury to the credit of the state general fund.

2 (b) The penalties provided for in subsection (a) also may be assessed
3 against any corporation for the reason that such corporation has been
4 canceled or its existence forfeited pursuant to the Kansas general cor-
5 poration code. No penalty shall be charged pursuant to this subsection,
6 if a corporation is assessed penalties pursuant to grounds specified in
7 subsection (a).

8 Sec. 15. K.S.A. 2005 Supp. 17-7510 is hereby amended to read as
9 follows: 17-7510. (a) In addition to any other penalties, the failure of any
10 domestic corporation to file the annual report in accordance with the
11 provisions of this act ~~or to pay the annual report fee provided for~~ within
12 90 days of the time for filing ~~and paying the same such annual report~~
13 shall work the forfeiture of the articles of incorporation of such domestic
14 corporation. Within 60 days after the date such annual report ~~and fee are~~
15 ~~is~~ due, the secretary of state, by mail, shall notify any corporation that has
16 failed to submit such report ~~and fee~~ when due that its articles of incor-
17 poration shall be forfeited unless the annual report is filed ~~and the fee is~~
18 ~~paid~~ within 90 days from the date such report ~~and fee were~~ *was* due. Any
19 corporation that fails to submit such report ~~and fee~~ within such time shall
20 forfeit its articles of incorporation, and the secretary of state shall notify
21 the attorney general that the articles of incorporation of such corporation
22 have been forfeited.

23 (b) In addition to any other penalties, the failure of any foreign cor-
24 poration to file the annual report ~~or pay the annual report fee~~ prescribed
25 by this act within 90 days from the time provided for filing ~~and paying~~
26 ~~the same such annual report~~ shall work a forfeiture of its right or authority
27 to do business in this state. Within 60 days after the date such annual
28 report ~~and fee are~~ *is* due, the secretary of state, by mail, shall notify any
29 corporation that has failed to submit such report ~~and fee~~ when due that
30 its authority to do business in this state shall be forfeited unless the annual
31 report ~~and fee is paid~~ *is filed* within 90 days from the date such report
32 ~~and fee were~~ *was* due. Any corporation that fails to submit such report
33 ~~and fees~~ within such time shall forfeit its authority to do business in this
34 state, and the secretary of state shall publish a notice of such forfeiture
35 in the Kansas register. This section shall not be construed to restrict the
36 state from invoking any other remedies provided by law.

37 (c) The secretary of state shall not issue certificates of good standing
38 for any corporation that has failed to file its annual report ~~or pay its annual~~
39 ~~report fee.~~

40 Sec. 16. K.S.A. 2005 Supp. 17-7512 is hereby amended to read as
41 follows: 17-7512. The provisions of this act relating to the filing of annual
42 reports and the payment of franchise taxes and annual report fees *re-*
43 *quired prior to* July 1, 2006, shall not apply to banking, insurance or

Sec. 6.

January 1, 2007,

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1-1

1 savings and loan corporations, credit unions, any firemen's relief associ-
2 ation under the jurisdiction and supervision of the insurance commis-
3 sioner or to Kansas Venture Capital, Inc. or venture capital companies
4 certified by the secretary of commerce pursuant to article 83 of chapter
5 74 of the Kansas Statutes Annotated and amendments thereto.

6 **Sec. 17.** K.S.A. 2005 Supp. 17-76,125 is hereby amended to read as
7 follows: 17-76,125. A foreign limited liability company may cancel its reg-
8 istration by filing with the secretary of state a certificate of cancellation
9 executed by the members, together with the fee required by this act and
10 the annual report ~~and annual report fee~~ for any tax period which has
11 ended. A cancellation does not terminate the authority of the secretary
12 of state to accept service of process on the foreign limited liability com-
13 pany with respect to causes of action arising out of the doing of business
14 in the state of Kansas.

15 **Sec. 18.** K.S.A. 2005 Supp. 17-76,139 is hereby amended to read as
16 follows: 17-76,139. (a) Every limited liability company organized under
17 the laws of this state shall make an annual report in writing to the secretary
18 of state, stating the prescribed information concerning the limited liability
19 company at the close of business on the last day of its tax period next
20 preceding the date of filing. If the limited liability company's tax period
21 is other than the calendar year, it shall give notice of its different tax
22 period in writing to the secretary of state prior to December 31 of the
23 year it commences the different tax period. The annual report shall be
24 filed at the time prescribed by law for filing the limited liability company's
25 annual Kansas income tax return. The annual report shall be made on a
26 form prescribed by the secretary of state. The report shall contain the
27 following information:

- 28 (1) The name of the limited liability company; and
- 29 (2) a list of the members owning at least 5% of the capital of the
30 company, with the post office address of each.

31 (b) Every foreign limited liability company shall make an annual re-
32 port in writing to the secretary of state, stating the prescribed information
33 concerning the limited liability company at the close of business on the
34 last day of its tax period next preceding the date of filing. If the limited
35 liability company's tax period is other than the calendar year, it shall give
36 notice in writing of its different tax period to the secretary of state prior
37 to December 31 of the year it commences the different tax period. The
38 annual report shall be filed at the time prescribed by law for filing the
39 limited liability company's annual Kansas income tax return. The annual
40 report shall be made on a form prescribed by the secretary of state. The
41 report shall contain the name of the limited liability company.

42 (c) The annual report required by this section shall be *dated*, signed
43 by a member of the limited liability company *under penalty of perjury*

Sec. 7.

1 and forwarded to the secretary of state. At the time of filing the report,
2 the limited liability company shall pay to the secretary of state an annual
3 report fee in an amount equal to \$40.

At the time of filing the report, the limited liability company shall pay to the secretary of state an annual report fee in an amount equal to \$40.

4 (d) The provisions of K.S.A. 17-7509, and amendments thereto, re-
5 lating to penalties for failure of a corporation to file an annual report or
6 pay the required annual report fee, and the provisions of subsection (a)
7 of K.S.A. 17-7510 and amendments thereto, relating to penalties for fail-
8 ure of a corporation to file an annual report or pay the required annual
9 report fee, shall be applicable to the articles of organization of any do-
10 mestic limited liability company or to the authority of any foreign limited
11 liability company which fails to file its annual report or pay the annual
12 report fee within 90 days of the time prescribed in this section for filing
13 and paying the same such annual report. Whenever the articles of organ-
14 ization of a domestic limited liability company or the authority of any
15 foreign limited liability company are forfeited for failure to file an annual
16 report or to pay the required annual report fee, the domestic limited
17 liability company or the authority of a foreign limited liability company
18 may be reinstated by filing a certificate of reinstatement, in the manner
19 and form to be prescribed by the secretary of state and paying to the
20 secretary of state all fees, including any penalties thereon, due to the state.

relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee,

or pay the required annual report fee

or pay the annual report fee

and paying such annual report fee

or to pay the required annual report fee

all fees, including

21 The fee for filing a certificate of reinstatement shall be the same as that
22 prescribed by K.S.A. 17-7506, and amendments thereto, for filing a cer-
23 tificate of extension, restoration, renewal or revival reinstatement of a
24 corporation's articles of incorporation.

25 (e) When reinstatement is effective, it relates back to and takes effect
26 as of the effective date of the forfeiture and the company may resume its
27 business as if the forfeiture had never occurred.

28 (f) No limited liability company shall be required to file its first annual
29 report under this act, or pay any annual report fee required to accompany
30 such report, unless such limited liability company has filed its articles of
31 organization or application for authority at least six months prior to the
32 last day of its tax period.

or pay any annual report fee required to accompany such report,

33 (g) All copies of applications for extension of the time for filing in-
34 come tax returns submitted to the secretary of state pursuant to law shall
35 be maintained by the secretary of state in a confidential file and shall not
36 be disclosed to any person except as authorized pursuant to the provisions
37 of K.S.A. 79-3234, and amendments thereto, a proper judicial order, or
38 subsection (h). All copies of such applications shall be preserved for one
39 year and thereafter until the secretary of state orders that they be
40 destroyed.

41 (h) A copy of such application shall be open to inspection by or dis-
42 closure to any person who was a member of such limited liability company
43 during any part of the period covered by the extension.

Sec. 8.

1 ~~Sec. 19~~ K.S.A. 56-1a606 is hereby amended to read as follows: 56-
 2 1a606. (a) Every limited partnership organized under the laws of this state
 3 shall make an annual report in writing to the secretary of state, stating
 4 the prescribed information concerning the limited partnership at the
 5 close of business on the last day of its tax period next preceding the date
 6 of filing. If the limited partnership's tax period is other than the calendar
 7 year, it shall give notice of its different tax period to the secretary of state
 8 prior to December 31 of the year it commences the different tax period.
 9 The annual report shall be filed at the time prescribed by law for filing
 10 the limited partnership's annual Kansas income tax return.

11 (b) The annual report shall be made on a form prescribed by the
 12 secretary of state. The report shall contain the following information:

- 13 (1) The name of the limited partnership; and
- 14 (2) a list of the partners owning at least 5% of the capital of the
 15 partnership, with the address of each.

16 (c) Every limited partnership subject to the provisions of this section
 17 which is a limited ~~corporate~~ agricultural partnership, as defined in K.S.A.
 18 17-5903 and amendments thereto, and which holds agricultural land, as
 19 defined in K.S.A. 17-5903 and amendments thereto, within this state shall
 20 show the following additional information on the report:

- 21 (1) The number of acres and location, listed by section, range, town-
 22 ship and county of each lot, tract or parcel of agricultural land in this state
 23 owned or leased by the limited partnership; and
- 24 (2) whether any of the agricultural land held and reported under sub-
 25 section (c)(1) was acquired after July 1, 1981.

26 (d) The annual report shall be *dated*, signed by the general partner
 27 or partuers of the limited partuership, ~~sworn to before an officer duly~~
 28 ~~authorized to administer oaths under penalty of perjury~~ and forwarded
 29 to the secretary of state. ~~At the time of filing the report, the limited~~
 30 ~~partnership shall pay to the secretary of state an annual report fee in an~~
 31 ~~amount equal to \$40.~~

At the time of filing the report, the limited partnership shall pay to the secretary of state an annual report fee in an amount equal to \$40.

32 (c) The provisions of K.S.A. 17-7509 and amendments thereto, relat-
 33 ing to penalties for failure of a corporation to file an annual report ~~or~~
 34 ~~pay the required annual report fee,~~ and the provisions of subsection (a)
 35 of K.S.A. 17-7510, and amendments thereto, relating to forfeiture of a
 36 domestic corporation's articles of incorporation for failure to file an an-
 37 nual report ~~or pay the required annual report fee,~~ shall be applicable to
 38 the certificate of partnership of any limited partnership which fails to file
 39 its annual report ~~or pay the annual report fee~~ within 90 days of the time
 40 prescribed in this section for filing ~~and paying the same such annual~~
 41 ~~report.~~ Whenever the certificate of partnership of a limited partnership
 42 is forfeited for failure to file an annual report ~~or to pay the required annual~~
 43 ~~report fee,~~ the limited partnership may be reinstated by filing a certificate

or pay the required annual report fee,

or pay the annual report fee

and paying such annual report fee

or to pay the required annual report fee

1 of reinstatement, in the manner and form to be prescribed by the sec-
 2 retary of state and paying to the secretary of state ~~all fees, including any~~
 3 ~~penalties thereon~~, due to the state. The fee for filing a certificate of re-
 4 instatement shall be the same as that prescribed by K.S.A. 17-7506 and
 5 amendments thereto for filing a certificate of extension, restoration, re-
 6 ~~newal or revival~~ *reinstatement* of a corporation's articles of incorporation.

all fees, including

Sec. 9.

7 ~~Sec. 20.~~ K.S.A. 56-1a607 is hereby amended to read as follows: 56-
 8 1a607. (a) Every foreign limited partnership shall make an annual report
 9 in writing to the secretary of state, stating the prescribed information
 10 concerning the limited partnership at the close of business on the last day
 11 of its tax period next preceding the date of filing. If the limited partner-
 12 ship's tax period is other than the calendar year, it shall give notice of its
 13 different tax period to the secretary of state prior to December 31 of the
 14 year it commences the different tax period. The annual report shall be
 15 filed at the time prescribed by law for filing the limited partnership's
 16 annual Kansas income tax return.

17 (b) The annual report shall be made on a form prescribed by the
 18 secretary of state. The report shall contain the name of the limited
 19 partnership.
 20 (c) Every foreign limited partnership subject to the provisions of this
 21 section which is a limited ~~corporate~~ *agricultural* partnership, as defined
 22 in K.S.A. 17-5903 and amendments thereto, and which holds agricultural
 23 land, as defined in K.S.A. 17-5903 and amendments thereto, within this
 24 state shall show the following additional information on the report:

- 25 (1) The number of acres and location, listed by section, range, town-
 26 ship and county of agricultural land in this state owned or leased by the
 27 limited partnership; and
- 28 (2) whether any of the agricultural land held and reported under sub-
 29 section (c)(1) was acquired after July 1, 1981.

30 (d) The annual report shall be *dated*, signed by the general partner
 31 or partners of the limited partnership, ~~sworn to before an officer duly~~
 32 ~~authorized to administer oaths under penalty of perjury~~ and forwarded
 33 to the secretary of state. ~~At the time of filing the report, the foreign~~
 34 ~~limited partnership shall pay to the secretary of state an annual report fee~~
 35 ~~in an amount equal to \$40.~~

At the time of filing the report, the foreign limited partnership shall pay to the secretary of state an annual report fee in an amount equal to \$40.

36 (e) The provisions of K.S.A. 17-7509 and amendments thereto, re-
 37 lating to penalties for failure of a corporation to file an annual report ~~or~~
 38 ~~pay the required annual report fee,~~ and the provisions of subsection (b)
 39 of K.S.A. 17-7510, and amendments thereto, relating to forfeiture of a
 40 foreign corporation's authority to do business in this state for failure to
 41 file an annual report ~~or pay the required annual report fee,~~ shall be ap-
 42 plicable to the authority of any foreign limited partnership which fails to
 43 file its annual report ~~or pay the annual report fee~~ within 90 days of the

or pay the required annual report fee,

or pay the annual report fee

1-19

1 time prescribed in this section for filing ~~and paying the same~~ *such annual*
 2 *report*. Whenever the authority of a foreign limited partnership to do
 3 business in this state is forfeited for failure to file an annual report ~~or to~~
 4 ~~pay the required annual report fee,~~ the foreign limited partnership's au-
 5 thority to do business in this state may be reinstated by filing a certificate
 6 of reinstatement, in the manner and form to be prescribed by the sec-
 7 retary of state and paying to the secretary of state ~~all fees, including~~ any
 8 penalties ~~thereon~~, due to the state. The fee for filing a certificate of re-
 9 instatement shall be the same as that prescribed by K.S.A. 17-7506 and
 10 amendments thereto for filing a certificate of extension, restoration, re-
 11 ~~newal or revival~~ *reinstatement* of a corporation's articles of incorporation.

and paying the annual report fee

or to pay the required annual report fee,

all fees, including

12 Sec. 21. K.S.A. 56-1a608 is hereby amended to read as follows: 56-
 13 1a608. No limited partnership shall be required to file its first annual
 14 report under this act, ~~or pay any annual report fee required to accompany~~
 15 ~~such report~~, unless such limited partnership has filed its certificate of
 16 limited partnership or certificate of good standing at least six months prior
 17 to the last day of its tax period.

Sec. 10.

18 Sec. 22. K.S.A. 56a-1201 is hereby amended to read as follows: 56a-
 19 1201. (a) Every limited liability partnership organized under the laws of
 20 this state shall make an annual report in writing to the secretary of state,
 21 stating the prescribed information concerning the limited liability part-
 22 nership at the close of business on the last day of its tax period next
 23 preceding the date of filing. If the limited liability partnership's tax period
 24 is other than the calendar year, it shall give notice of its different tax
 25 period in writing to the secretary of state prior to December 31 of the
 26 year it commences the different tax period. The annual report shall be
 27 filed at the time prescribed by law for filing the limited liability part-
 28 nership's annual Kansas income tax return.

29 (b) The annual report shall be made on a form prescribed by the
 30 secretary of state. The report shall contain the following information:

- 31 (1) The name of the limited liability partnership; and
- 32 (2) a list of the partners owning at least 5% of the capital of the
 33 partnership, with the address of each.

34 (c) The annual report shall be *dated*, signed by a partner of the lim-
 35 ited liability partnership *under penalty of perjury* and forwarded to the
 36 secretary of state. ~~At the time of filing the report, the limited liability~~
 37 ~~partnership shall pay to the secretary of state an annual report fee in an~~
 38 ~~amount equal to \$40.~~

At the time of filing the report, the limited liability partnership shall pay to the secretary of state an annual report fee in an amount equal to \$40.

39 (d) The provisions of K.S.A. 17-7509, and amendments thereto, re-
 40 lating to penalties for failure of a corporation to file an annual report ~~or~~
 41 ~~pay the required annual report fee,~~ and the provisions of subsection (a)
 42 of K.S.A. 17-7510 and amendments thereto, relating to penalties for fail-
 43 ure of a corporation to file an annual report ~~or pay the required annual~~

relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee,

1 ~~report fee,~~ shall be applicable to the statement of qualification of any
 2 limited liability partnership which fails to file its annual report ~~or pay the~~
 3 ~~annual report fee~~ within 90 days of the time prescribed in this section for
 4 filing ~~and paying the same such annual report.~~ Whenever the statement
 5 of qualification of a limited liability partnership is forfeited for failure to
 6 file an annual report ~~or to pay the required annual report fee,~~ the limited
 7 liability partnership may be reinstated by filing a certificate of reinstatement,
 8 in the manner and form to be prescribed by the secretary of state
 9 and paying to the secretary of state ~~all fees, including~~ any penalties
 10 ~~thereon,~~ due to the state. The fee for filing a certificate of reinstatement
 11 shall be the same as that prescribed by K.S.A. 17-7506, and amendments
 12 thereto, for filing a certificate of extension, restoration, renewal or revival
 13 ~~reinstatement~~ of a corporation's articles of incorporation.

or pay the required annual report fee,

or pay the annual report fee

and paying the annual report fee

or pay the required annual report fee

all fees, including

14 **Sec. 23.** K.S.A. 56a-1202 is hereby amended to read as follows: 56a-
 15 1202. (a) Every foreign limited liability partnership shall make an annual
 16 report in writing to the secretary of state, stating the prescribed information
 17 concerning the foreign limited liability partnership at the close of
 18 business on the last day of its tax period next preceding the date of filing.
 19 If the foreign limited liability partnership's tax period is other than the
 20 calendar year, it shall give notice in writing of its different tax period to
 21 the secretary of state prior to December 31 of the year it commences the
 22 different tax period. The annual report shall be filed at the time prescribed
 23 by law for filing the foreign limited liability partnership's annual
 24 Kansas income tax return.

Sec. 11.

25 (b) The annual report shall be made on a form prescribed by the
 26 secretary of state. The report shall contain the name of the foreign limited
 27 liability partnership.

28 (c) The annual report shall be *dated*, signed by a partner of the foreign
 29 limited liability partnership *under penalty of perjury* and forwarded
 30 to the secretary of state. ~~At the time of filing the report, the foreign~~
 31 ~~limited liability partnership shall pay to the secretary of state an annual~~
 32 ~~report fee in an amount equal to \$40.~~

At the time of filing the report, the foreign limited liability partnership shall pay to the secretary of state an annual report fee in an amount equal to \$40.

33 (d) The provisions of K.S.A. 17-7509, and amendments thereto, ~~relating to penalties for failure of a corporation to file an annual report or~~
 34 ~~pay the required annual report fee,~~ and the provisions of subsection (a)
 35 of K.S.A. 17-7510, and amendments thereto, relating to penalties for failure
 36 of a corporation to file an annual report ~~or pay the required annual~~
 37 ~~report fee,~~ shall be applicable to the statement of foreign qualification of
 38 any foreign limited liability partnership which fails to file its annual report
 39 ~~or pay the annual report fee~~ within 90 days of the time prescribed in this
 40 section for filing ~~and paying the same such annual report.~~ Whenever the
 41 statement of foreign qualification of a foreign limited liability partnership
 42 is forfeited for failure to file an annual report ~~or to pay the required annual~~
 43 ~~report fee,~~

relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee,

or pay the required annual report fee,

or pay the annual report fee

and paying the annual report fee

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1 ~~report fee~~, the statement of foreign qualification of the foreign limited
 2 liability partnership may be reinstated by filing a certificate of reinstatement,
 3 in the manner and form to be prescribed by the secretary of state
 4 and paying to the secretary of state ~~all fees, including~~ any penalties
 5 ~~thereon~~, due to the state. The fee for filing a certificate of reinstatement
 6 shall be the same as that prescribed by K.S.A. 17-7506, and amendments
 7 thereto, for filing a certificate of ~~extension, restoration, renewal or revival~~
 8 ~~reinstatement~~ of a corporation's articles of incorporation.

or to pay the required annual report fee

all fees, including

9 **Sec. 24.** K.S.A. 56a-1203 is hereby amended to read as follows: 56a-
 10 1203. No limited liability partnership or foreign limited liability partner-
 11 ship shall be required to file its first annual report under this act, ~~or pay~~
 12 ~~any annual report fee required to accompany such report~~, unless such
 13 partnership has filed its statement of qualification or foreign qualification
 14 at least six months prior to the last day of its tax period.

Sec. 12.

15 **Sec. 25.** K.S.A. 2005 Supp. 79-5401 is hereby amended to read as
 16 follows: 79-5401. (a) (1) For any foreign or domestic for profit corpora-
 17 tion, or professional corporation or association, duly registered and au-
 18 thorized to do business in Kansas by the secretary of state and which has
 19 taxable equity attributable to Kansas of \$100,000 or more, such entity
 20 shall pay an annual franchise tax to the secretary of revenue at the rate
 21 of .125% of such entity's taxable equity attributable to Kansas, except that
 22 such annual franchise tax for any such entity shall not exceed \$20,000.

23 (2) For any foreign or domestic limited liability company, foreign or
 24 domestic limited partnership or foreign or domestic limited liability part-
 25 nership duly registered and authorized to do business in Kansas by the
 26 secretary of state and which has net capital accounts located in or used
 27 in this state at the end of the taxable year as required to be reported on
 28 the federal partnership return of income of \$100,000 or more, such entity
 29 shall pay an annual franchise tax to the secretary of revenue at the rate
 30 of .125% of the net capital accounts located in or used in this state at the
 31 end of the taxable year as required to be reported on the federal part-
 32 nership return of income, or for a one-member LLC taxed as a sole
 33 proprietorship which has net book value of the LLC as calculated on an
 34 income tax basis located in or used in this state at the end of the taxable
 35 year of \$100,000 or more, .125% of net book value of the LLC as cal-
 36 culated on an income tax basis located in or used in this state at the end
 37 of the taxable year, except that such annual franchise tax for any such
 38 entity shall not exceed \$20,000.

39 (3) For any business trust duly registered and authorized to do busi-
 40 ness in Kansas by the secretary of state and which has corpus as shown
 41 on its balance sheet at the end of the taxable year as required to be
 42 reported to the secretary of revenue of \$100,000 or more, such entity
 43 shall pay an annual franchise tax to the secretary of revenue at the rate

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1 of .125% of the corpus as shown on its balance sheet at the end of the
2 taxable year as required to be reported to the secretary of revenue or in
3 the case of a foreign business trust which has a corpus which is located
4 in or which it uses or intends to use in this state as shown on its balance
5 sheet at the end of the taxable year as required to be reported to the
6 secretary of revenue of \$100,000 or more, .125% of that portion of the
7 corpus which is located in or which it uses or intends to use in this state
8 as shown on its balance sheet at the end of the taxable year as required
9 to be reported to the secretary of revenue, except that the annual fran-
10 chise tax for any such entity shall not exceed \$20,000. Such balance sheet
11 shall be as of the end of the tax period, certified by the trustee, fairly and
12 truly reflecting the trust assets and liabilities and specifically setting out
13 its corpus, and, in the case of a foreign business trust, fairly and truly
14 reflecting an allocation of its moneys and other assets as between those
15 located, used or to be used, in this state and those located, used or to be
16 used elsewhere.

17 (b) (1) Every corporation or association, business trust, limited lia-
18 bility company, limited partnership or limited liability partnership subject
19 to taxation under this act, regardless of whether such entity has a franchise
20 tax liability, shall make a return, stating specifically such information as
21 may be required by the forms, rules and regulations of the secretary of
22 revenue, which return shall include a balance sheet listing all assets and
23 liabilities as of the end of the tax year, as reported in the federal income
24 tax return on form 1120 or, if no such federal return is required to be
25 filed, such balance sheet information as otherwise required by the sec-
26 retary, and such further information showing the allocation or apportion-
27 ment calculations in computing the amount of the franchise tax. The
28 return of a corporation or association shall be signed by the president,
29 vice-president, treasurer, assistant treasurer, chief accounting officer or
30 any other officer so authorized to act. The fact that an individual's name
31 is signed on a return shall be *prima facie* evidence that such individual is
32 authorized to sign such return on behalf of such corporation. In cases
33 where receivers, trustees in bankruptcy or assignees are operating the
34 property or business of corporations, such receivers, trustees, or assignees
35 shall make returns for such corporations in the same manner and form
36 as corporations are required to make returns. Any tax due on the basis of
37 such returns shall be collected in the same manner as if collected from
38 the corporation for which the return is made. The returns of a limited
39 liability partnership shall be signed by a partner of the limited liability
40 partnership. The returns of a limited liability company shall be signed by
41 a member of the limited liability company.

42 (2) All returns shall be filed in the office of the director of taxation
43 on or before the 15th day of the fourth month following the close of the

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1 taxable year, except as provided in subsection (b) (3).
2 (3) The director of taxation may grant a reasonable extension of time
3 for filing returns in accordance with rules and regulations of the secretary
4 of revenue. Whenever any such extension of time to file is requested by
5 a taxpayer and granted by the director, no penalty authorized by K.S.A.
6 79-3228, and amendments thereto, shall be imposed if 90% of the liability
7 is paid on or before the original due date.
8 (c) (1) All taxes imposed under the provisions of the Kansas franchise
9 tax act shall be paid on the 15th day of the fourth month following the
10 close of the taxable year. When the tax as shown to be due on a return is
11 less than \$5, such tax shall be canceled and no payment need be remitted
12 by the taxpayer.
13 (2) The director of taxation may extend the time for payment of the
14 tax, or any installment thereof, for a reasonable period of time not to
15 exceed six months from the date fixed for payment thereof. Such exten-
16 sion may exceed six months in the case of a taxpayer who is abroad.
17 Interest shall be charged at the rate prescribed by K.S.A. 79-2968, and
18 amendments thereto, for the period of such extension.
19 (d) The provisions of K.S.A. 79-3226, 79-3228, 79-3228a, 79-3229,
20 79-3230, 79-3233, 79-3233a, 79-3233b, 79-3233g, 79-3233h, 79-3233i,
21 79-3234, 79-3235 and 79-3236, and amendments thereto, shall apply to
22 the administration and enforcement of this section.
23 (e) All taxes paid pursuant to the provisions of this act shall be
24 rounded off to the nearest \$1, and unless other disposition is specifically
25 provided by law, the taxes collected under the provisions of this act and
26 all overpayments which may not be refunded under this section shall be
27 remitted to the state treasurer in accordance with the provisions of K.S.A.
28 75-4215, and amendments thereto. Upon receipt of each such remittance,
29 the state treasurer shall deposit the entire amount in the state treasury
30 to the credit of the state general fund. The secretary of revenue shall not
31 refund any overpayment of franchise taxes which is equal to \$5 or less,
32 shall not credit any domestic corporation or foreign corporation, associ-
33 ation, business trust, limited liability company, limited partnership or lim-
34 ited liability partnership with any amount which may not be refunded
35 under this section, and shall not require reimbursement for any under-
36 payment of franchise taxes which is less than \$5. Franchise tax refunds
37 shall be paid to the claimant from the income tax refund fund upon war-
38 rants of the director of accounts and reports pursuant to vouchers ap-
39 proved by the director of taxation, but no warrant issued hereunder shall
40 be drawn in an amount less than \$5. No interest shall be allowed on any
41 payment made to a claimant pursuant to this act.
42 (f) As used in this section: (1) "Act" means the Kansas franchise tax
43 act;

1 (2) "net book value as calculated on an income tax basis located in or
2 used in this state" means the net book value of a limited liability company
3 multiplied by a percentage which is the average of the following three
4 percentages: (A) The average value of the limited liability company's real
5 and tangible personal property owned or rented and used in this state
6 during the tax period divided by the average total value of the limited
7 liability company's real and tangible personal property owned or rented
8 and used during the tax period; (B) the total amount of compensation
9 paid by the limited liability company in this state during the tax period
10 divided by the total amount of compensation paid everywhere by the
11 limited liability company during the tax period; and (C) the total sales of
12 the limited liability company in this state during the tax period divided
13 by the total sales of the limited liability company everywhere during the
14 tax period. If a limited liability company has no real and tangible property
15 owned or rented and used, compensation paid or sales made for the tax
16 period, then the average percentage shall be determined by using only
17 those percentages for property, compensation and sales which reflect
18 property or activity;

19 (3) "net capital accounts located in or used in this state" means the
20 net capital accounts of a limited partnership or limited liability partner-
21 ship as stated on the federal income tax return multiplied by a percentage
22 which is the average of the following three percentages: (A) The average
23 value of such entity's real and tangible personal property owned or rented
24 and used in this state during the tax period divided by the average total
25 value of such entity's real and tangible personal property owned or rented
26 and used during the tax period; (B) the total amount of compensation
27 paid by such entity in this state during the tax period divided by the total
28 amount of compensation paid everywhere by such entity during the tax
29 period; and (C) the total sales of such entity in this state during the tax
30 period divided by the total sales of such entity everywhere during the tax
31 period. If such entity has no real and tangible personal property owned
32 or rented and used, compensation paid or sales made for the tax period,
33 then the average percentage shall be determined by using only those
34 percentages for property, compensation and sales which reflect property
35 or activity;

36 (4) "shareholder's equity" means the sum of: (1) Paid-in capital stock,
37 except that paid-in capital stock shall not include any capital stock issued
38 by a corporation and reacquired by such corporation through gift, pur-
39 chase or otherwise and available for resale or retirement; (2) capital paid
40 in, in excess of par; and (3) retained earnings, all as stated on such cor-
41 poration's federal income tax return;

42 (5) "shareholder's equity attributable to Kansas" means the share-
43 holder's equity of a corporation multiplied by a percentage which is the

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28-1

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1 average of the following three percentages: (A) The average value of the
 2 corporation's real and tangible personal property owned or rented and
 3 used in this state during the tax period divided by the average total value
 4 of the corporation's real and tangible personal property owned or rented
 5 and used during the tax period; (B) the total amount of compensation
 6 paid by the corporation in this state during the tax period divided by the
 7 total amount of compensation paid everywhere by the corporation during
 8 the tax period; and (C) the total sales of the corporation in this state during
 9 the tax period divided by the total sales of the corporation everywhere
 10 during the tax period. If a corporation has no real and tangible personal
 11 property owned or rented and used, compensation paid or sales made for
 12 the tax period, then the average percentage shall be determined by using
 13 only those percentages for property, compensation and sales which reflect
 14 property or activity; and

15 (6) "taxable equity attributable to Kansas" means shareholder's equity
 16 attributable to Kansas.

17 (g) *The provisions of this section shall not apply to banking, insurance*
 18 *or savings and loan corporations, credit unions, any firemen's relief as-*
 19 *sociation under the jurisdiction and supervision of the insurance com-*
 20 *missioner or to Kansas Venture Capital, Inc. or venture capital companies*
 21 *certified by the secretary of commerce pursuant to article 83 of chapter*
 22 *74 of the Kansas Statutes Annotated and amendments thereto.*

23 (h) The provisions of this section shall apply to all tax years com-
 24 mencing after December 31, 2003.

25 (i) The provisions of this section shall be known and may be cited
 26 as the Kansas franchise tax act

27 ~~Sec. 26~~ K.S.A. 56-1a606, 56-1a607, ~~56-1a608~~, 56a-1201, 56a-1202
 28 ~~and 56a-1203~~ and K.S.A. 2005 Supp. ~~17-1513, 17-1618, 17-2036, 17-2037,~~
 29 ~~17-2718, 17-4634, 17-4677, 17-6709, 17-6806, 17-7002, 17-7503, 17-~~
 30 ~~7504, 17-7505, 17-7507, 17-7509, 17-7510, 17-7512, 17-76, 125, 17-~~
 31 ~~76, 139, 75-446~~ and 79-5401 are hereby repealed.

32 ~~Sec. 27~~ This act shall take effect and be in force from and after its
 33 publication in the statute book.

Sec. 13.

and

Sec. 14.

January 1, 2007, and