

CHAPTER 157
SENATE BILL No. 37

AN ACT concerning business entities; relating to franchise fees and taxes and annual report fees; amending K.S.A. 17-6709 and 17-6806 and K.S.A. 2004 Supp. 17-1513, 17-1618, 17-2036, 17-2037, 17-2718, 17-4634, 17-4677, 17-7002, 17-7503, 17-7504, 17-7505, 17-7507, 17-7509, 17-7510, 17-7512, 17-7514, 17-76,125, 17-76,139, 56-1a606, 56-1a607, 56-1a608, 56-1a610, 56a-1201, 56a-1202, 56a-1203, 56a-1204, 75-446 and 79-5401 and repealing the existing sections; also repealing K.S.A. 2004 Supp. 17-2036a, 17-7503a, 17-7504a, 17-7505a, 17-7507a, 17-7508, as amended by section 88 of 2004 Senate Bill No. 29, 17-7510a, 17-7512a, 17-76,139a, 56-1a606a and 56-1a607a.

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

Section 1. K.S.A. 2004 Supp. 17-1513 is hereby amended to read as follows: 17-1513. Each corporation organized under the provisions of this act shall make an annual report to the secretary of state, and pay the annual ~~franchise report~~ fee, as prescribed by K.S.A. 17-7503 and amendments thereto.

Sec. 2. K.S.A. 2004 Supp. 17-1618 is hereby amended to read as follows: 17-1618. Each association formed under this act, or acts amendatory thereto, shall prepare and make an annual report to the secretary of state, and pay the annual ~~franchise report~~ fee, as prescribed by K.S.A. 17-7504 and amendments thereto, except that the report shall be filed at the time prescribed by law for filing the association's annual Kansas income tax return. ~~If any such association shall apply for an extension of time for filing its annual income tax return pursuant to the internal revenue code or subsection (c) of K.S.A. 79-3221 and amendments thereto, such association shall also apply, not more than 90 days after the due date of its annual report, to the secretary of state for an extension of time for filing the annual report. Such application for an extension of time for filing the annual report shall include a copy of the application for extension for filing its annual income tax return filed pursuant to the internal revenue code or K.S.A. 79-3221 and amendments thereto.~~

Sec. 3. K.S.A. 2004 Supp. 17-2036 is hereby amended to read as follows: 17-2036. (a) Every business trust shall make an annual report in writing to the secretary of state, ~~showing its financial condition stating the prescribed information concerning the business trust~~ at the close of business on the last day of its tax period under the Kansas income tax act next preceding the date of filing, but if a business trust's tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The reports shall be made on forms provided by the secretary of state and shall be filed at the time prescribed by law for filing the business trust's annual Kansas income tax return, ~~except that if any such business trust shall receive an extension of time for filing its annual income tax return from the internal revenue service or pursuant to subsection (c) of K.S.A. 79-3221, and amendments thereto, the time for filing the report hereunder shall be extended, correspondingly, upon filing with the secretary of state a copy of the extension granted by the internal revenue service or the director of taxation.~~ The report shall contain the following:

~~(a)~~ (1) Executed copies of all amendments to the instrument by which the business trust was created, or to prior amendments thereto, which have been adopted and have not theretofore been filed under K.S.A. 17-2033, and amendments thereto, and accompanied by the fee prescribed therein for each such amendment; *and*

~~(b)~~ (2) a verified list of the names and addresses of its trustees as of the end of its tax period; *and*

~~(c) a balance sheet as of the end of its tax period, certified by the trustee, fairly and truly reflecting its assets and liabilities and specifically setting out its corpus, and, in the case of a foreign business trust, fairly and truly reflecting an allocation of its moneys and other assets as between those located, used, or to be used in this state and those located, used or to be used elsewhere.~~

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

(2) The failure of any domestic or foreign business trust to file its annual report and pay its annual ~~franchise report~~ fee within 90 days from the date on which they are due, as aforesaid, shall work a forfeiture of its

authority to transact business in this state and all of the remedies, procedures, and penalties specified in K.S.A. 17-7509 and 17-7510, and amendments thereto, with respect to a corporation which fails to file its annual report or pay its annual ~~franchise~~ report fee within 90 days after they are due, shall be applicable to such business trust.

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

(d) *A copy of such application shall be open to inspection by or disclosure to any person designated by resolution of the trustees of the business trust.*

Sec. 4. K.S.A. 2004 Supp. 17-2037 is hereby amended to read as follows: 17-2037. Any business trust, domestic or foreign, which has obtained authority under this act to transact business in Kansas may surrender its authority at any time by filing in the office of the secretary of state a certified copy of a resolution duly adopted by its trustees declaring its intention to withdraw, accompanied by a withdrawal fee of \$20; and filing all annual reports and paying all annual ~~franchise taxes~~ report fees required by K.S.A. 17-2036 and amendments thereto, and not previously filed and paid. During a period of five years following the effective date of such withdrawal the business trust shall nevertheless be entitled to convey and dispose of its property and assets in this state, settle and close out its business in this state, and perform any other act or acts pertinent to the liquidation of its business, property, and assets in this state, and to prosecute and defend all suits filed prior to the expiration of such five-year period involving causes of action arising prior to the effective date of such withdrawal or arising out of any act or transaction occurring during such five-year period in the course of the liquidation of its business, property or assets.

The withdrawal of a business trust as provided in this section shall have no effect upon any suit filed by or against it prior to the expiration of such five-year period until such suit has been finally determined or otherwise finally concluded and all judgments, orders and decrees entered therein have been fully executed, even though such final determination, conclusion, or execution occurs after the expiration of such five-year period. With respect to a foreign business trust, withdrawal pursuant to this section shall not affect its written consent to be sued in the courts of this state, or the jurisdiction over such foreign business trust of the courts of this state, with respect to any cause of action which arose prior to the effective date of its withdrawal.

Sec. 5. K.S.A. 2004 Supp. 17-2718 is hereby amended to read as follows: 17-2718. (a) Each professional corporation organized under the laws of this state shall file with the secretary of state an annual report in writing and a copy or duplicate thereof, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if any such corporation's tax period is other than the calendar year it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The report shall be filed at the time prescribed by law for filing the corporation's annual Kansas income tax return, ~~except that such corporation may apply to the secretary of state not more than 90 days after the due date of its annual report for an extension of the time for filing the report, and an extension shall be granted for a period of time corresponding to that granted under the internal revenue code or K.S.A. 79-3221, and amendments thereto.~~ The report shall be made on a form provided by the secretary of state, containing the following information:

- (1) The names and ~~residence~~ addresses of all officers, directors and shareholders of the professional corporation;
- (2) a statement that each officer, director and shareholder is or is not a qualified person as defined in K.S.A. 17-2707, and amendments thereto, and setting forth the date on which any shares of the corporation were no longer owned by a qualified person; and
- (3) the amount of capital stock issued.

(b) The report shall be signed by its president, secretary, treasurer or other officer duly authorized so to act, or by any two of its directors, or by an incorporator in the event its board of directors shall not have been elected. The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This report ~~will~~ shall be dated and subscribed by the person as true, under penalty of perjury. The copy of the annual report or the duplicate original copy of the annual report shall be forwarded to the regulatory board which licenses the shareholders described in the report. At the time of filing its annual report, each professional corporation shall pay the annual ~~franchise report~~ fee prescribed by K.S.A. 17-7503, and amendments thereto.

Sec. 6. K.S.A. 2004 Supp. 17-4634 is hereby amended to read as follows: 17-4634. (a) Every corporation organized under the electric cooperative act of this state shall make an annual report in writing to the secretary of state, ~~showing the financial condition of~~ *stating the prescribed information concerning* the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if any such corporation's tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The report shall be filed on or before the fifteenth day of the fourth month following the close of the tax year of the electric cooperative. ~~An extension for filing the annual report may be granted upon the filing of a written application with the secretary of state prior to the due date of the report, except that no such extension may be granted for a period of more than 90 days.~~ The report shall be made on a form provided by the secretary of state, containing the following information:

- (1) The name of the corporation;
- (2) the location of the principal office;
- (3) the ~~name~~ *names and addresses* of the president, secretary ~~and~~, treasurer and the ~~names of all~~ directors ~~with the residence address of each~~;
- (4) the number of memberships issued; *and*
- (5) ~~a balance sheet showing the financial condition of the corporation at the close of business on the last day of its tax period next preceding the date of filing; and~~
- ~~(6) the change or changes, if any, in the particulars made since the last annual report.~~

(b) Such reports shall be signed by the president, vice-president or secretary of the corporation, sworn to before an officer duly authorized to administer oaths and forwarded to the secretary of state. At the time of filing such annual report, each such corporation shall pay an annual ~~franchise report~~ fee in an amount equal to \$40.

Sec. 7. K.S.A. 2004 Supp. 17-4677 is hereby amended to read as follows: 17-4677. (a) Every cooperative organized under the renewable energy electric generation cooperative act shall make an annual report in writing to the secretary of state, ~~showing the financial condition of~~ *stating the prescribed information concerning* the cooperative at the close of business on the last day of its tax period next preceding the date of filing, but if any such cooperative's tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The report shall be filed on or before the 15th day of the fourth month following the close of the tax year of the electric cooperative. ~~An extension for filing the annual report may be granted upon the filing of a written application with the secretary of state prior to the due date of the report, except that no such extension may be granted for a period of more than 90 days.~~ The report shall be made on a form provided by the secretary of state, containing the following information:

- (1) The name of the cooperative;
- (2) the location of the principal office of the cooperative;
- (3) the names and addresses of the president, secretary, treasurer and directors of the cooperative;
- (4) the number of members of the cooperative; *and*
- (5) ~~a balance sheet showing the financial condition of the cooperative at the close of business on the last day of its tax period next preceding the date of filing; and~~

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

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

Sec. 8. K.S.A. 17-6709 is hereby amended to read as follows: 17-6709. (a) No merger or consolidation shall become effective under this act until all corporate fees ~~and taxes~~ due to or assessable by the state have been paid by the constituent corporations. Any fees or taxes which become due to or assessable by the state with respect to any such constituent corporation, subsequent to the merger or consolidation, shall become the debt of the resulting or surviving corporation. When any merger or consolidation ~~shall have~~ *has* become effective under this act, for all purposes of the laws of this state the separate existence of all the constituent corporations, or of all such constituent corporations except the one into which the other or others of such constituent corporations have been merged, as the case may be, shall cease and the constituent corporations shall become a new corporation, or be merged into one of such corporations, as the case may be, possessing all the rights, privileges, powers and franchises as well of a public as of a private nature, and being subject to all the restrictions, disabilities and duties of each of such corporations so merged or consolidated; and all and singular, the rights, privileges, powers and franchises of each of ~~said~~ *such* corporations, and all property, real, personal and mixed, and all debts due to any of such constituent corporations on whatever account, as well for stock subscriptions as all other things in action or belonging to each of such corporations shall be vested in the corporation surviving or resulting from such merger or consolidation; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectually the property of the surviving or resulting corporation as they were of the several and respective constituent corporations, and the title to any real estate vested by deed or otherwise, under the laws of this state, in any of such constituent corporations, shall not revert or be in any way impaired by reason of this act; but all rights of creditors and all liens upon any property of any of such constituent corporations shall be preserved unimpaired, and all debts, liabilities and duties of the respective constituent corporations shall thenceforth attach to such surviving or resulting corporation, and may be enforced against it to the same extent as if such debts, liabilities and duties had been incurred or contracted by it.

(b) In the case of a merger of banks or trust companies, without any order or action on the part of any court or otherwise, all appointments, designations and nominations, and all other rights and interests as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, trustee of estates of persons mentally ill and in every other fiduciary capacity, shall be automatically vested in the corporation surviving such merger; ~~provided, however,~~ *except* that any party in interest shall have the right to apply to an appropriate court or tribunal for a determination as to whether the surviving corporation shall continue to serve in the same fiduciary capacity as the merged corporation, or whether a new and different fiduciary should be appointed.

Sec. 9. K.S.A. 17-6806 is hereby amended to read as follows: 17-6806. No corporation shall be dissolved under this act until all corporate fees ~~and taxes~~ due to or assessable by the state have been paid by the corporation.

Sec. 10. K.S.A. 2004 Supp. 17-7002 is hereby amended to read as follows: 17-7002. (a) Any corporation may procure an extension, restoration, renewal or revival of its articles of incorporation, if a domestic corporation, or its authority to engage in business, if a foreign corporation, together with all the rights, franchises, privileges and immunities and subject to all of its duties, debts and liabilities which had been secured or imposed by its original articles of incorporation, and all amendments thereto, or by its authority to engage in business, as the case may be, and may designate a new registered office and resident agent in the following instances:

(1) At any time before the expiration of the time limited for the corporation's existence;

(2) at any time, where the corporation's articles of incorporation, if a

domestic corporation, or the authority to engage in business, if a foreign corporation, has become inoperative by law for nonpayment of taxes;

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

(4) at any time, where the articles of incorporation of a domestic corporation or the authority to engage in business of a foreign corporation has been renewed, but through failure to comply strictly with the provisions of this act, the validity of such renewal has been brought into question; and

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

(b) The extension, restoration, renewal or revival of the articles of incorporation or authority to engage in business may be procured by executing and filing a certificate in accordance with K.S.A. 17-6003, and amendments thereto.

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

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

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

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

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

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

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

(d) Upon the filing of the certificate in accordance with K.S.A. 17-6003, and amendments thereto, the corporation shall be renewed and revived with the same force and effect as if its articles of incorporation had not become inoperative and void or had not expired by limitation. Such reinstatement shall validate all contracts, acts, matters and things made, done and performed within the scope of its articles of incorporation by the corporation, its officers and agents during the time when its articles of incorporation were inoperative or void or after their expiration by limitation, with the same force and effect and to all intents and purposes as if the articles of incorporation had at all times remained in full force and effect. All real and personal property, rights and credits, which belonged to the corporation at the time its articles of incorporation became inoperative or void, or expired by limitation and which were not disposed of prior to the time of its revival or renewal shall be vested in the corporation after its revival or renewal, as fully and amply as they were held by the corporation at and before the time its articles of incorporation became inoperative or void or expired by limitation, and the corporation after its renewal or revival shall be as exclusively liable for all contracts, acts, matters and things made, done or performed in its name and on its behalf by its officers and agents prior to its reinstatement, as if its articles of incorporation had remained at all times in full force and effect.

(e) If, since the articles of incorporation became inoperative or void

for nonpayment of taxes or expired by limitation, any other corporation organized under the laws of this state shall have adopted the same name as the corporation sought to be renewed or revived or shall have adopted a name so nearly similar thereto as not to distinguish it from the corporation to be renewed or revived, or any foreign corporation qualified in accordance with K.S.A. 17-7301, and amendments thereto, shall have adopted the same name as the corporation sought to be renewed or revived, or shall have adopted a name so nearly similar thereto as not to distinguish it from the corporation to be renewed or revived, then in such case the corporation to be renewed or revived shall not be renewed under the same name which it bore when its articles of incorporation became inoperative or void or expired, but shall adopt or be renewed under some other name; and in such case the certificate to be filed under the provisions of this section shall set forth the name borne by the corporation at the time its articles of incorporation became inoperative or void or expired and the new name under which the corporation is to be renewed or revived.

(f) Any corporation seeking to renew or revive its articles of incorporation under the provisions of this act shall file all annual reports and pay to the secretary of state an amount equal to all fees ~~and taxes~~ and any penalties thereon due. Nonprofit corporations shall file only the annual reports for the three most recent reporting periods, but shall pay all ~~privilege~~ fees due.

(g) If a sufficient number of the last acting officers of any corporation desiring to renew or revive its articles of incorporation are not available by reason of death, unknown address or refusal or neglect to act, the directors of the corporation or those remaining on the board, even if only one, may elect successors to such officers. In any case where there shall be no directors of the corporation available for the purposes aforesaid, the stockholders may elect a full board of directors, as provided by the bylaws of the corporation, and the board shall then elect such officers as are provided by law, by the articles of incorporation or by the bylaws to carry on the business and affairs of the corporation. A special meeting of the stockholders for the purpose of electing directors may be called by any officer, director or stockholder upon notice given in accordance with K.S.A. 17-6512, and amendments thereto.

(h) After a revival of the articles of incorporation of the corporation shall have been effected, except where a special meeting of stockholders has been called in accordance with the provisions of subsection (g), the officers who signed the certificate of revival jointly shall call forthwith a special meeting of the stockholders of the corporation upon notice given in accordance with K.S.A. 17-6512, and amendments thereto, and at the special meeting the stockholders shall elect a full board of directors, which board shall then elect such officers as are provided by law, by the articles of incorporation or the bylaws to carry on the business and affairs of the corporation.

(i) Whenever it shall be desired to renew or revive the articles of incorporation of any corporation not for profit and having no capital stock, the governing body shall perform all the acts necessary for the renewal or revival of the articles of incorporation of the corporation which are performed by the board of directors in the case of a corporation having capital stock. The members of any corporation not for profit and having no capital stock who are entitled to vote for the election of members of its governing body shall perform all the acts necessary for the renewal or revival of the articles of the corporation which are performed by the stockholders in the case of a corporation having capital stock. In all other respects, the procedure for the renewal or revival of the articles of incorporation of a corporation not for profit and having no capital stock shall conform, as nearly as may be applicable, to the procedure prescribed in this section for the renewal or revival of the articles of incorporation of a corporation having capital stock.

Sec. 11. K.S.A. 2004 Supp. 17-7503 is hereby amended to read as follows: 17-7503. (a) Every domestic corporation organized for profit shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if a corporation's tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The reports shall be made on forms pre-

scribed by the secretary of state. The report shall be filed at the time prescribed by law for filing the corporation's annual Kansas income tax return, ~~except that if any such corporation shall apply for an extension of time for filing its annual income tax return under the internal revenue service or under subsection (c) of K.S.A. 79-3221, and amendments thereto, such corporation shall also apply, not more than 90 days after the due date of its annual report, to the secretary of state for an extension of the time for filing the report and an extension shall be granted for a period of time corresponding to that granted under the internal revenue code or K.S.A. 79-3221, and amendments thereto. Such application shall include a copy of the application to income tax authorities.~~ The report shall contain the following information:

- (1) The name of the corporation;
- (2) the location of the principal office;
- (3) the names *and addresses* of the president, secretary, treasurer *or equivalent of such officers* and members of the board of directors, ~~with the residence address of each;~~
- (4) ~~the number of shares of capital stock issued and the amount of capital stock paid up;~~
- ~~(5) the number of shares of capital stock issued;~~
- (5) the nature and kind of business in which the corporation is engaged; and
- ~~(6) a list of stockholders owning at least 5% of the capital stock of the corporation, with the post office address of each~~
- (6) *if the corporation is a parent corporation holding more than 50% equity ownership in any other business entity registered with the secretary of state, the name and identification number of any such subsidiary business entity.*

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

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

(c) The report shall be ~~signed by its president, secretary, treasurer or other officer duly authorized so to act, or by any two of its directors, or by an incorporator in the event its board of directors shall not have been elected~~ *executed in accordance with the provisions of K.S.A. 17-6003, and amendments thereto.* The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This report ~~will~~ *shall* be dated and subscribed by the person as true, under penalty of perjury. At the time of filing such annual report it shall be the duty of each domestic corporation organized for profit to pay to the secretary of state an annual ~~franchise report~~ fee in an amount equal to \$40.

Sec. 12. K.S.A. 2004 Supp. 17-7504 is hereby amended to read as follows: 17-7504. (a) Every corporation organized not for profit shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if a corporation's tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The reports shall be made on forms pre-

scribed by the secretary of state. The report shall be filed on the 15th day of the sixth month following the close of the taxable year, ~~except that such corporation may apply to the secretary of state not more than 90 days after the due date of its annual report for an extension of the time for filing the report, and an extension shall be granted for a period of time corresponding to that granted under the internal revenue code or K.S.A. 79-3221, and amendments thereto.~~ The report shall contain the following information:

- (1) The name of the corporation;
- (2) the location of the principal office;
- (3) the names *and addresses* of the president, secretary and treasurer *or equivalent of such officers*, and the members of the ~~board of directors,~~ *with the residence address of each governing body;*
- (4) the number of memberships or the number of shares of capital stock issued ~~and the amount of capital stock paid up;~~ *and*
- (5) *if the corporation is a parent corporation holding more than 50% equity ownership in any other business entity registered with the secretary of state, the name and identification number of any such subsidiary business entity.*

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

- (1) The acreage and location listed by section, range, township and county of each lot, tract or parcel of agricultural land in this state owned or leased by or to the corporation;
- (2) the purposes for which such agricultural land is owned or leased and, if leased, to whom such agricultural land is leased;
- (3) the value of the nonagricultural assets and the agricultural assets, stated separately, owned and controlled by the corporation both within and without the state of Kansas and where situated;
- (4) the total number of stockholders *or members* of the corporation;
- (5) the number of acres owned or operated by the corporation, the number of acres leased by the corporation and the number of acres leased to the corporation;
- (6) the number of acres of agricultural land, held and reported in each category under paragraph (5) of this subsection (b), stated separately, being irrigated; and
- (7) whether any of the agricultural land held and reported under this subsection was acquired after July 1, 1981.

(c) The report shall be ~~signed by its president, secretary, treasurer or other officer duly authorized so to act, or by any two of its directors, or by an incorporator in the event its board of directors shall not have been elected~~ *executed in accordance with the provisions of K.S.A. 17-6003, and amendments thereto.* The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This report ~~will~~ *shall* be dated and subscribed by the person as true, under penalty of perjury.

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

Sec. 13. K.S.A. 2004 Supp. 17-7505 is hereby amended to read as follows: 17-7505. (a) Every foreign corporation organized for profit, or organized under the cooperative type statutes of the state, territory or foreign country of incorporation, now or hereafter doing business in this state, and owning or using a part or all of its capital in this state, and subject to compliance with the laws relating to the admission of foreign corporations to do business in Kansas, shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if a corporation operates on a fiscal year other than the calendar year it shall give written notice thereof to the secretary of state prior to December 31 of the year commencing such fiscal year. The report shall be made on a form prescribed by the secretary of state. The report shall be filed at the time prescribed by law for filing the corporation's annual Kansas income tax return, ~~except that if any such corporation shall apply for an extension of time for filing its~~

annual income tax return under the internal revenue service or under subsection (c) of K.S.A. 79-3221, and amendments thereto, such corporation shall also apply, not more than 90 days after the due date of its annual report, to the secretary of state for an extension of the time for filing the report and an extension shall be granted for a period of time corresponding to that granted under the internal revenue code or K.S.A. 79-3221, and amendments thereto. Such application shall include a copy of the application to income tax authorities. The report shall contain the following facts:

- (1) The name of the corporation and under the laws of what state or country ~~organized~~ *it is incorporated*;
- (2) the location of its principal office;
- (3) the names *and addresses* of the president, secretary, treasurer, *or equivalent of such officers*, and members of the board of directors, ~~with the residence address of each~~;
- (4) ~~the number of shares of capital stock issued and the amount of capital stock paid up~~;
- ~~(5) the number of shares of capital stock issued~~;
- (5) the nature and kind of business in which the company is engaged and its place or places of business both within and without the state of Kansas;
- ~~(6) the value of the property owned and used by the company in Kansas, where situated, and the value of the property owned and used outside of Kansas and where situated; and~~
- ~~(7) the corporation's shareholder's equity attributable to Kansas; and~~
 - (6) *if the corporation is a parent corporation holding more than 50% equity ownership in any other business entity registered with the secretary of state, the name and identification number of any such subsidiary business entity.*

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

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

(c) The report shall be ~~signed by its president, secretary, treasurer or other officer duly authorized so to act, or by any two of its directors, or by an incorporator in the event its board of directors shall not have been elected~~ *executed in accordance with the provisions of K.S.A. 17-6003, and amendments thereto*. The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This report ~~will~~ *shall* be dated and subscribed by the person as true, under penalty of perjury.

(d) At the time of filing its annual report, each such foreign corporation shall pay to the secretary of state an annual ~~franchise~~ *report* fee in an amount equal to \$40.

Sec. 14. K.S.A. 2004 Supp. 17-7507 is hereby amended to read as follows: 17-7507. No corporation shall be required to file its first annual report under this act, or pay any annual ~~franchise~~ *report* fee required to accompany such report, unless such corporation has filed its articles of incorporation or ~~certificate of good standing~~ *foreign corporation application* at least six months prior to the last day of its tax period.

Sec. 15. K.S.A. 2004 Supp. 17-7509 is hereby amended to read as follows: 17-7509. (a) In case any corporation organized for profit which is required to file an annual report and pay the annual ~~franchise report~~ fee prescribed by this act shall fail or neglect to make such report at the time prescribed, such corporation shall be subject to a penalty of \$75. Such penalty and the annual fee or fees required to be paid by this act may be recovered by an action in the name of the state, and all moneys recovered shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

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

Sec. 16. K.S.A. 2004 Supp. 17-7510 is hereby amended to read as follows: 17-7510. (a) In addition to any other penalties, the failure of any domestic corporation to file the annual report in accordance with the provisions of this act or to pay the annual ~~franchise report~~ fee provided for within 90 days of the time for filing and paying the same shall work the forfeiture of the articles of incorporation of such domestic corporation. Within 60 days after the date such annual report and fee are due, the secretary of state, by mail, shall notify any corporation that has failed to submit such report and fee when due that its articles of incorporation shall be forfeited unless the annual report is filed and the fee is paid within 90 days from the date such report and fee were due. Any corporation that fails to submit such report and fee within such time shall forfeit its articles of incorporation, and the secretary of state shall notify the attorney general that the articles of incorporation of such corporation have been forfeited.

(b) In addition to any other penalties, the failure of any foreign corporation to file the annual report or pay the annual ~~franchise report~~ fee prescribed by this act within 90 days from the time provided for filing and paying the same shall work a forfeiture of its right or authority to do business in this state. Within 60 days after the date such annual report and fee are due, the secretary of state, by mail, shall notify any corporation that has failed to submit such report and fee when due that its authority to do business in this state shall be forfeited unless the annual report and fee is paid within 90 days from the date such report and fee were due. Any corporation that fails to submit such report and fees within such time shall forfeit its authority to do business in this state, and the secretary of state shall publish a notice of such forfeiture in the Kansas register.

This section shall not be construed to restrict the state from invoking any other remedies provided by law.

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

Sec. 17. K.S.A. 2004 Supp. 17-7512 is hereby amended to read as follows: 17-7512. The provisions of this act relating to the filing of annual reports and the payment of franchise taxes and *annual report* fees shall not apply to banking, insurance or savings and loan corporations ~~or associations or to~~, credit unions ~~or~~, any firemen's relief association under the jurisdiction and supervision of the insurance commissioner or to Kansas Venture Capital, Inc. or ~~to~~ venture capital companies certified by the secretary of commerce pursuant to article 83 of chapter 74 of the Kansas Statutes Annotated and amendments thereto.

Sec. 18. K.S.A. 2004 Supp. 17-7514 is hereby amended to read as follows: 17-7514. (a) ~~Whenever any corporation which is required to file an annual report with the secretary of state shall apply for an extension of time for filing its annual income tax return from the internal revenue service, the time for filing the annual report with the secretary of state shall be extended, correspondingly, upon filing with the secretary of state, prior to the due date of its annual report, a copy of the application to income tax authorities. All such copies of applications for extension of the time for filing income tax returns filed on or after December 31, 1978, submitted to the secretary of state pursuant to law shall be maintained by the secretary of state in a confidential file and shall not be disclosed~~

to any person except as authorized pursuant to the provisions of K.S.A. 79-3234 and amendments thereto and subsection (c). All copies of such applications shall be preserved for one year and thereafter until the secretary of state orders that they be destroyed.

(b) Except in accordance with subsection (c) or a proper judicial order, it shall be unlawful for the secretary of state or any other officer, employee, former officer or former employee of this state to disclose any information contained in copies of federal extensions of time to file income tax returns. ~~Nothing in this section shall be deemed to prohibit the secretary of state or any officer or employee of the office of secretary of state from issuing any of the corporate documents described in K.S.A. 17-7506 and amendments thereto.~~

(c) All copies of such applications shall be open to inspection by or disclosure to: (1) Any person designated by resolution of the corporation's board of directors or other similar governing body; (2) any officer or employee of such corporation upon written request signed by any principal officer and attested to by the secretary or other officer; or (3) any bona fide shareholder of record owning 1% or more of the outstanding stock of such corporation.

Sec. 19. K.S.A. 2004 Supp. 17-76,125 is hereby amended to read as follows: 17-76,125. A foreign limited liability company may cancel its registration by filing with the secretary of state a certificate of cancellation executed by the members, together with the fee required by this act and the annual report and ~~franchise annual report~~ fee for any tax period which has ended. A cancellation does not terminate the authority of the secretary of state to accept service of process on the foreign limited liability company with respect to causes of action arising out of the doing of business in the state of Kansas.

Sec. 20. K.S.A. 2004 Supp. 17-76,139 is hereby amended to read as follows: 17-76,139. (a) Every limited liability company organized under the laws of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited liability company at the close of business on the last day of its tax period next preceding the date of filing. If the limited liability company's tax period is other than the calendar year, it shall give notice of its different tax period in writing to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited liability company's annual Kansas income tax return. ~~If the limited liability company applies for an extension of time for filing its annual income tax return under the internal revenue code, the limited liability company shall also apply, not more than 90 days after the due date of its annual report, to the secretary of state for an extension of the time for filing its report and an extension shall be granted for a period of time corresponding to that granted under the internal revenue code. The application shall include a copy of the application to income tax authorities.~~ The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the following information:

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

(b) Every foreign limited liability company shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited liability company at the close of business on the last day of its tax period next preceding the date of filing. If the limited liability company's tax period is other than the calendar year, it shall give notice in writing of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited liability company's annual Kansas income tax return. ~~If the limited liability company applies for an extension of time for filing its annual income tax return under the internal revenue code, the limited liability company also shall apply, not more than 90 days after the due date of its annual report, to the secretary of state for an extension of the time for filing its report and an extension shall be granted for a period of time corresponding to that granted under the internal revenue code. The application shall include a copy of the application to income tax authorities.~~ The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the name of the limited liability com-

pany.

(c) The annual report required by this section shall be signed by a member of the limited liability company and forwarded to the secretary of state. At the time of filing the report, the limited liability company shall pay to the secretary of state an annual ~~franchise~~ *report* fee in an amount equal to \$40.

(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 pay the required ~~franchise~~ *annual report* fee, and the provisions of subsection (a) of K.S.A. 17-7510 and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required ~~franchise~~ *annual report* fee, shall be applicable to the articles of organization of any domestic limited liability company or to the authority of any foreign limited liability company which fails to file its annual report or pay the ~~franchise~~ *annual report* fee within 90 days of the time prescribed in this section for filing and paying the same. Whenever the articles of organization of a domestic limited liability company or the authority of any foreign limited liability company are forfeited for failure to file an annual report or to pay the required ~~franchise~~ *annual report* fee, the domestic limited liability company or the authority of a foreign limited liability company may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of extension, restoration, renewal or revival of a corporation's articles of incorporation.

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

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

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

(h) *A copy of such application shall be open to inspection by or disclosure to any person who was a member of such limited liability company during any part of the period covered by the extension.*

Sec. 21. K.S.A. 2004 Supp. 56-1a606 is hereby amended to read as follows: 56-1a606. (a) Every limited partnership organized under the laws of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited partnership at the close of business on the last day of its tax period next preceding the date of filing. If the limited partnership's tax period is other than the calendar year, it shall give notice of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited partnership's annual Kansas income tax return. ~~If the limited partnership applies for an extension of time for filing its annual income tax return under the internal revenue code or under K.S.A. 79-3221 and amendments thereto, the limited partnership shall also apply, not more than 90 days after the due date of its annual report, to the secretary of state for an extension of the time for filing its report and an extension shall be granted for a period of time corresponding to that granted under the internal revenue code or K.S.A. 79-3221 and amendments thereto. The application shall include a copy of the application to income tax authorities.~~

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

- (1) The name of the limited partnership; and
- (2) a list of the partners owning at least 5% of the capital of the

partnership, with the post-office address of each.

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

(1) The number of acres and location, listed by section, range, township and county of each lot, tract or parcel of agricultural land in this state owned or leased by the limited partnership; and

(2) whether any of the agricultural land held and reported under subsection (c)(1) was acquired after July 1, 1981.

(d) The annual report shall be signed by the general partner or partners of the limited partnership, sworn to before an officer duly authorized to administer oaths and forwarded to the secretary of state. At the time of filing the report, the limited partnership shall pay to the secretary of state an annual ~~franchise report~~ fee in an amount equal to \$40.

(e) 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 pay the required ~~franchise annual report~~ fee, and the provisions of subsection (a) of K.S.A. 17-7510 and amendments thereto, relating to forfeiture of a domestic corporation's articles of incorporation for failure to file an annual report or pay the required ~~franchise annual report~~ fee, shall be applicable to the certificate of partnership of any limited partnership which fails to file its annual report or pay the ~~franchise annual report~~ fee within 90 days of the time prescribed in this section for filing and paying the same. Whenever the certificate of partnership of a limited partnership is forfeited for failure to file an annual report or to pay the required ~~franchise annual report~~ fee, the limited partnership may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506 and amendments thereto for filing a certificate of extension, restoration, renewal or revival of a corporation's articles of incorporation.

Sec. 22. K.S.A. 2004 Supp. 56-1a607 is hereby amended to read as follows: 56-1a607. (a) Every foreign limited partnership shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited partnership at the close of business on the last day of its tax period next preceding the date of filing. If the limited partnership's tax period is other than the calendar year, it shall give notice of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited partnership's annual Kansas income tax return. ~~If the limited partnership applies for an extension of time for filing its annual income tax return under the internal revenue code or under K.S.A. 79-3221 and amendments thereto, the limited partnership shall also apply, not more than 90 days after the due date of its annual report, to the secretary of state for an extension of the time for filing its report and an extension shall be granted for a period of time corresponding to that granted under the internal revenue code or K.S.A. 79-3221 and amendments thereto. The application shall include a copy of the application to income tax authorities.~~

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

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

(1) The number of acres and location, listed by section, range, township and county of agricultural land in this state owned or leased by the limited partnership; and

(2) whether any of the agricultural land held and reported under subsection (c)(1) was acquired after July 1, 1981.

(d) The annual report shall be signed by the general partner or partners of the limited partnership, sworn to before an officer duly authorized

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

(e) 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 pay the required ~~franchise annual report~~ fee, and the provisions of subsection (b) of K.S.A. 17-7510 and amendments thereto, relating to forfeiture of a foreign corporation's authority to do business in this state for failure to file an annual report or pay the required ~~franchise annual report~~ fee, shall be applicable to the authority of any foreign limited partnership which fails to file its annual report or pay the ~~franchise annual report~~ fee within 90 days of the time prescribed in this section for filing and paying the same. Whenever the authority of a foreign limited partnership to do business in this state is forfeited for failure to file an annual report or to pay the required ~~franchise annual report~~ fee, the foreign limited partnership's authority to do business in this state may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506 and amendments thereto for filing a certificate of extension, restoration, renewal or revival of a corporation's articles of incorporation.

Sec. 23. K.S.A. 2004 Supp. 56-1a608 is hereby amended to read as follows: 56-1a608. No limited partnership shall be required to file its first annual report under this act, or pay any annual ~~franchise report~~ fee required to accompany such report, unless such limited partnership has filed its certificate of limited partnership or certificate of good standing at least six months prior to the last day of its tax period.

Sec. 24. K.S.A. 2004 Supp. 56-1a610 is hereby amended to read as follows: 56-1a610. (a) ~~When any limited partnership that is required to file an annual report with the secretary of state, shall apply for an extension of time for filing its annual income tax return with the internal revenue service, the time for filing the annual report with the secretary of state shall be extended, correspondingly, upon filing a copy of the application to income tax authorities with the secretary of state, prior to the due date of its annual report. All such copies of applications for extension of the time for filing income tax returns submitted to the secretary of state pursuant to law shall be maintained by the secretary of state in a confidential file and shall not be disclosed to any person except as authorized pursuant to the provisions of K.S.A. 79-3234 and amendments thereto, a proper judicial order, and subsection (b). All copies of such applications shall be preserved for one year and thereafter until the secretary of state orders that they be destroyed. Nothing in this section shall be deemed to prohibit the secretary of state from issuing any document described in K.S.A. 56-1a605, and amendments thereto, concerning a limited partnership.~~

(b) A copy of such application shall be open to inspection by or disclosure to any person who was a partner of the limited partnership during any part of the period covered by the extension.

(c) The provisions of this section shall be part of and supplemental to the revised uniform limited partnership act.

Sec. 25. K.S.A. 2004 Supp. 56a-1201 is hereby amended to read as follows: 56a-1201. (a) Every limited liability partnership organized under the laws of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited liability partnership at the close of business on the last day of its tax period next preceding the date of filing. If the limited liability partnership's tax period is other than the calendar year, it shall give notice of its different tax period in writing to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited liability partnership's annual Kansas income tax return. ~~If the limited liability partnership applies for an extension of time for filing its annual income tax return under the internal revenue code, the limited liability partnership shall also apply, not more than 90 days after the due date of its annual report, to the secretary of state for an extension of the time for filing its report and an extension shall be granted for a period of time corresponding to that granted under the internal revenue code. The application shall include a copy of the application to income tax authorities.~~

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

(1) The name of the limited liability partnership; and

(2) a list of the partners owning at least 5% of the capital of the partnership, with the ~~post-office~~ address of each.

(c) The annual report shall be signed by a partner of the limited liability partnership and forwarded to the secretary of state. At the time of filing the report, the limited liability partnership shall pay to the secretary of state an annual ~~franchise report~~ fee in an amount equal to \$40.

(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 pay the required ~~franchise annual report~~ fee, and the provisions of subsection (a) of K.S.A. 17-7510 and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required ~~franchise annual report~~ fee, shall be applicable to the statement of qualification of any limited liability partnership which fails to file its annual report or pay the ~~franchise annual report~~ fee within 90 days of the time prescribed in this section for filing and paying the same. Whenever the statement of qualification of a limited liability partnership is forfeited for failure to file an annual report or to pay the required ~~franchise annual report~~ fee, the limited liability partnership may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of extension, restoration, renewal or revival of a corporation's articles of incorporation.

Sec. 26. K.S.A. 2004 Supp. 56a-1202 is hereby amended to read as follows: 56a-1202. (a) Every foreign limited liability partnership shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the foreign limited liability partnership at the close of business on the last day of its tax period next preceding the date of filing. If the foreign limited liability partnership's tax period is other than the calendar year, it shall give notice in writing of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the foreign limited liability partnership's annual Kansas income tax return. ~~If the foreign limited liability partnership applies for an extension of time for filing its annual income tax return under the internal revenue code, the foreign limited liability partnership shall also apply, not more than 90 days after the due date of its annual report, to the secretary of state for an extension of the time for filing its report and an extension shall be granted for a period of time corresponding to that granted under the internal revenue code. The application shall include a copy of the application to income tax authorities.~~

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

(c) The annual report shall be signed by a partner of the foreign limited liability partnership and forwarded to the secretary of state. At the time of filing the report, the foreign limited liability partnership shall pay to the secretary of state an annual ~~franchise report~~ fee in an amount equal to \$40.

(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 pay the required ~~franchise annual report~~ fee, and the provisions of subsection (a) of K.S.A. 17-7510, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required ~~franchise annual report~~ fee, shall be applicable to the statement of foreign qualification of any foreign limited liability partnership which fails to file its annual report or pay the ~~franchise annual report~~ fee within 90 days of the time prescribed in this section for filing and paying the same. Whenever the statement of foreign qualification of a foreign limited liability partnership is forfeited for failure to file an annual report or to pay the required ~~franchise annual report~~ fee, the statement of foreign qualification of the foreign limited liability partnership may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state

all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of extension, restoration, renewal or revival of a corporation's articles of incorporation.

Sec. 27. K.S.A. 2004 Supp. 56a-1203 is hereby amended to read as follows: 56a-1203. No limited liability partnership or foreign limited liability partnership shall be required to file its first annual report under this act, or pay any annual ~~franchise report~~ fee required to accompany such report, unless such partnership has filed its statement of qualification or foreign qualification at least six months prior to the last day of its tax period.

Sec. 28. K.S.A. 2004 Supp. 56a-1204 is hereby amended to read as follows: 56a-1204. (a) ~~When any limited liability partnership that is required to file an annual report with the secretary of state, shall apply for an extension of time for filing its annual income tax return from the internal revenue service, the time for filing the annual report with the secretary of state shall be extended, correspondingly, upon filing a copy of the application to income tax authorities with the secretary of state, prior to the due date of its annual report.~~ All such copies of applications for extension of the time for filing income tax returns *submitted to the secretary of state pursuant to law* shall be maintained by the secretary of state in a confidential file and shall not be disclosed to any person except as authorized pursuant to the provisions of K.S.A. 79-3234 and amendments thereto, a proper judicial order, and subsection (b). All copies of such applications shall be preserved for one year and thereafter until the secretary of state orders that they be destroyed.

(b) A copy of such application shall be open to inspection by or disclosure to any person who was a partner of the limited liability partnership during any part of the period covered by the extension.

(c) The provisions of this section shall be part of and supplemental to the revised uniform partnership act.

Sec. 29. K.S.A. 2004 Supp. 75-446 is hereby amended to read as follows: 75-446. The secretary of state shall remit all moneys received from ~~franchise annual report~~ fees, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

Sec. 30. K.S.A. 2004 Supp. 79-5401 is hereby amended to read as follows: 79-5401. (a) (1) For any foreign or domestic for profit corporation, or professional corporation or association, duly registered and authorized to do business in Kansas by the secretary of state and which has taxable equity attributable to Kansas of \$100,000 or more, such entity shall pay an annual franchise tax to the secretary of revenue at the rate of .125% of such entity's taxable equity attributable to Kansas, except that such annual franchise tax for any such entity shall not exceed \$20,000.

(2) For any foreign or domestic limited liability company, foreign or domestic limited partnership or foreign or domestic limited liability partnership duly registered and authorized to do business in Kansas by the secretary of state and which has net capital accounts located *in* or used in this state at the end of the ~~preceding~~ taxable year as required to be reported on the federal partnership return of income of \$100,000 or more, such entity shall pay an annual franchise tax to the secretary of revenue at the rate of .125% of the net capital accounts located in or used in this state at the end of the ~~preceding~~ taxable year as required to be reported on the federal partnership return of income, or for a one-member LLC taxed as a sole proprietorship which has net book value of the LLC as calculated on an income tax basis located in or used in this state at the end of the ~~preceding~~ taxable year of \$100,000 or more, .125% of net book value of the LLC as calculated on an income tax basis located in or used in this state at the end of the ~~preceding~~ taxable year, except that such annual franchise tax for any such entity shall not exceed \$20,000.

(3) For any business trust duly registered and authorized to do business in Kansas by the secretary of state *and* which has corpus as shown on its balance sheet at the end of the ~~preceding~~ taxable year as required to be reported to the secretary of revenue of \$100,000 or more, such entity shall pay an annual franchise tax to the secretary of revenue at the rate of .125% of the corpus as shown on its balance sheet at the end of the ~~preceding~~ taxable year as required to be reported to the secretary of

revenue or in the case of a foreign business trust which has a corpus which is located in or which it uses or intends to use in this state as shown on its balance sheet at the end of the preceding taxable year as required to be reported to the secretary of revenue of \$100,000 or more, .125% of that portion of the corpus which is located in or which it uses or intends to use in this state as shown on its balance sheet at the end of the preceding taxable year as required to be reported to the secretary of revenue, except that the annual franchise tax for any such entity shall not exceed \$20,000. Such balance sheet shall be as of the end of the tax period, certified by the trustee, fairly and truly reflecting the trust assets and liabilities and specifically setting out its corpus, and, in the case of a foreign business trust, fairly and truly reflecting an allocation of its moneys and other assets as between those located, used or to be used, in this state and those located, used or to be used elsewhere.

(b) (1) Every corporation or association, business trust, limited liability company, limited partnership or limited liability partnership subject to taxation under this act, regardless of whether such entity has a franchise tax liability, shall make a return, stating specifically such information as may be required by the forms, rules and regulations of the secretary of revenue, which return shall include a balance sheet listing all assets and liabilities as of the end of the tax year, as reported in the federal income tax return on form 1120 or, if no such federal return is required to be filed, such balance sheet information as otherwise required by the secretary, and such further information showing the allocation or apportionment calculations in computing the amount of the franchise tax. The return of a corporation or association shall be signed by the president, vice-president, treasurer, assistant treasurer, chief accounting officer or any other officer so authorized to act. The fact that an individual's name is signed on a return shall be *prima facie* evidence that such individual is authorized to sign such return on behalf of such corporation. In cases where receivers, trustees in bankruptcy or assignees are operating the property or business of corporations, such receivers, trustees, or assignees shall make returns for such corporations in the same manner and form as corporations are required to make returns. Any tax due on the basis of such returns shall be collected in the same manner as if collected from the corporation for which the return is made. The returns of a limited liability partnership shall be signed by a partner of the limited liability partnership. The returns of a limited liability company shall be signed by a member of the limited liability company.

(2) All returns shall be filed in the office of the director of taxation on or before the 15th day of the fourth month following the close of the taxable year, except as provided in subsection (b) (3).

(3) The director of taxation may grant a reasonable extension of time for filing returns in accordance with rules and regulations of the secretary of revenue. Whenever any such extension of time to file is requested by a taxpayer and granted by the director, no penalty authorized by K.S.A. 79-3228, and amendments thereto, shall be imposed if 90% of the liability is paid on or before the original due date.

(c) (1) All taxes imposed under the provisions of the Kansas franchise tax act shall be paid on the 15th day of the fourth month following the close of the taxable year. When the tax as shown to be due on a return is less than \$5, such tax shall be canceled and no payment need be remitted by the taxpayer.

(2) The director of taxation may extend the time for payment of the tax, or any installment thereof, for a reasonable period of time not to exceed six months from the date fixed for payment thereof. Such extension may exceed six months in the case of a taxpayer who is abroad. Interest shall be charged at the rate prescribed by K.S.A. 79-2968, and amendments thereto, for the period of such extension.

(d) The provisions of K.S.A. 79-3226, 79-3228, 79-3228a, 79-3229, 79-3230, 79-3233, 79-3233a, 79-3233b, 79-3233g, 79-3233h, 79-3233i, 79-3234, 79-3235 and 79-3236, and amendments thereto, shall apply to the administration and enforcement of this section.

(e) All taxes paid pursuant to the provisions of this act shall be rounded off to the nearest \$1, and unless other disposition is specifically provided by law, the taxes collected under the provisions of this act and all overpayments which may not be refunded under this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance,

the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund. The secretary of revenue shall not refund any overpayment of franchise taxes which is equal to \$5 or less, shall not credit any domestic corporation or foreign corporation, association, business trust, limited liability company, limited partnership or limited liability partnership with any amount which may not be refunded under this section, and shall not require reimbursement for any underpayment of franchise taxes which is less than \$5. Franchise tax refunds shall be paid to the claimant from the income tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director of taxation, but no warrant issued hereunder shall be drawn in an amount less than \$5. No interest shall be allowed on any payment made to a claimant pursuant to this act.

(f) As used in this section: (1) “Act” means the Kansas franchise tax act;

(2) “net book value as calculated on an income tax basis located in or used in this state” means the net book value of a limited liability company multiplied by a percentage which is the average of the following three percentages: (A) The average value of the limited liability company’s real and tangible personal property owned or rented and used in this state during the ~~next preceding~~ tax period divided by the average total value of the limited liability company’s real and tangible personal property owned or rented and used during the ~~next preceding~~ tax period; (B) the total amount of compensation paid by the limited liability company in this state during the ~~next preceding~~ tax period divided by the total amount of compensation paid everywhere by the limited liability company during the ~~next preceding~~ tax period; and (C) the total sales of the limited liability company in this state during the ~~next preceding~~ tax period divided by the total sales of the limited liability company everywhere during the ~~next preceding~~ tax period. If a limited liability company has no real and tangible property owned or rented and used, compensation paid or sales made for the ~~preceding~~ tax period, then the average percentage shall be determined by using only those percentages for property, compensation and sales which reflect property or activity;

(3) “net capital accounts located in or used in this state” means the net capital accounts of a limited partnership or limited liability partnership as stated on the federal income tax return multiplied by a percentage which is the average of the following three percentages: (A) The average value of such entity’s real and tangible personal property owned or rented and used in this state during the ~~next preceding~~ tax period divided by the average total value of such entity’s real and tangible personal property owned or rented and used during the ~~next preceding~~ tax period; (B) the total amount of compensation paid by such entity in this state during the ~~next preceding~~ tax period divided by the total amount of compensation paid everywhere by such entity during the ~~next preceding~~ tax period; and (C) the total sales of such entity in this state during the ~~next preceding~~ tax period divided by the total sales of such entity everywhere during the ~~next preceding~~ tax period. If such entity has no real and tangible personal property owned or rented and used, compensation paid or sales made for the ~~preceding~~ tax period, then the average percentage shall be determined by using only those percentages for property, compensation and sales which reflect property or activity;

(4) “shareholder’s equity” means the sum of: (1) Paid-in capital stock, except that paid-in capital stock shall not include any capital stock issued by a corporation and reacquired by such corporation through gift, purchase or otherwise and available for resale or retirement; (2) capital paid in, in excess of par; and (3) retained earnings, all as stated on such corporation’s federal income tax return;

(5) “shareholder’s equity attributable to Kansas” means the shareholder’s equity of a corporation multiplied by a percentage which is the average of the following three percentages: (A) The average value of the corporation’s real and tangible personal property owned or rented and used in this state during the ~~next preceding~~ tax period divided by the average total value of the corporation’s real and tangible personal property owned or rented and used during the ~~next preceding~~ tax period; (B) the total amount of compensation paid by the corporation in this state during the ~~next preceding~~ tax period divided by the total amount of compensation paid everywhere by the corporation during the ~~next preceding~~ tax period; and (C) the total sales of the corporation in this state during the

~~next preceding~~ tax period divided by the total sales of the corporation everywhere during the ~~next preceding~~ tax period. If a corporation has no real and tangible personal property owned or rented and used, compensation paid or sales made for the ~~preceding~~ tax period, then the average percentage shall be determined by using only those percentages for property, compensation and sales which reflect property or activity; and

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

(g) The provisions of this section shall apply to all tax years commencing after December 31, 2003.

(h) The provisions of this section shall be known and may be cited as the Kansas franchise tax act.

Sec. 31. K.S.A. 17-6709 and 17-6806 and K.S.A. 2004 Supp. 17-1513, 17-1618, 17-2036, 17-2036a, 17-2037, 17-2718, 17-4634, 17-4677, 17-7002, 17-7503, 17-7503a, 17-7504, 17-7504a, 17-7505, 17-7505a, 17-7507, 17-7507a, 17-7508, as amended by section 88 of 2004 Senate Bill No. 29, 17-7509, 17-7510, 17-7510a, 17-7512, 17-7512a, 17-7514, 17-76,125, 17-76,139, 17-76,139a, 56-1a606, 56-1a606a, 56-1a607, 56-1a607a, 56-1a608, 56-1a610, 56a-1201, 56a-1202, 56a-1203, 56a-1204, 75-446 and 79-5401 are hereby repealed.

Sec. 32. This act shall take effect and be in force from and after January 1, 2006, and its publication in the statute book.

Approved April 18, 2005.
