

HOUSE BILL No. 2233

By Committee on Taxation

Requested by Representative Schwertfeger

2-4

1 AN ACT concerning taxation; relating to property taxation; disqualifying
2 property from the carbon dioxide capture and sequestration property tax
3 exemption if used to inject animal manure into the ground; relating to
4 income tax; disqualifying from the carbon dioxide capture and
5 sequestration property accelerated depreciation deduction if machinery
6 and equipment are used to inject animal manure into the ground;
7 amending K.S.A. 79-233 and 79-32,256 and repealing the existing
8 sections.
9

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

11 Section 1. K.S.A. 79-233 is hereby amended to read as follows: 79-
12 233. (a) The following described property, to the extent herein specified,
13 shall be exempt from all property taxes levied under the laws of the state
14 of Kansas: Any carbon dioxide capture, sequestration or utilization
15 property; and any electric generation unit which captures and sequesters
16 all carbon dioxide and other emissions.

17 (b) The provisions of subsection (a) shall apply from and after
18 purchase or commencement of construction or installation of such property
19 and for the five taxable years immediately following the taxable year in
20 which construction or installation of such property is completed.

21 (c) The provisions of this section shall *not* apply to ~~all taxable years~~
22 ~~commencing after December 31, 2007~~ *any property that injects animal*
23 *manure into the ground.*

24 (d) As used in this section, "carbon dioxide capture, sequestration or
25 utilization property" means:

26 (1) Any machinery and equipment used to capture carbon dioxide
27 from industrial and other anthropogenic sources or to convert such carbon
28 dioxide into one or more products;

29 (2) any carbon dioxide injection well, as defined in K.S.A. 2024
30 Supp. 55-1637, and amendments thereto; and

31 (3) any machinery and equipment used to recover carbon dioxide
32 from sequestration.

33 Sec. 2. K.S.A. 79-32,256 is hereby amended to read as follows: 79-
34 32,256. (a) A taxpayer shall be entitled to a deduction from Kansas
35 adjusted gross income with respect to the amortization of the amortizable

1 costs of carbon dioxide capture, sequestration or utilization machinery and
2 equipment based upon a period of 10 years. Such amortization deduction
3 shall be an amount equal to 55% of the amortizable costs of such
4 machinery and equipment for the first taxable year in which such
5 machinery and equipment are in operation and 5% of the amortizable costs
6 of such machinery and equipment for each of the next nine taxable years.

7 (b) The election of the taxpayer to claim the deduction allowed by
8 subsection (a) shall be made by filing a statement of such election with the
9 secretary of revenue in the manner and form and within the time
10 prescribed by rules and regulations adopted by the secretary.

11 (c) The provisions of this section shall *not* apply to ~~all taxable years~~
12 ~~commencing after December 31, 2007~~ *machinery and equipment that*
13 *injects animal manure into the ground.*

14 (d) The secretary of revenue shall adopt such rules and regulations as
15 deemed necessary to carry out the provisions of this section.

16 (e) As used in this section, "carbon dioxide capture, sequestration or
17 utilization machinery and equipment" means any machinery and
18 equipment which is located in this state and is: (1) Used to capture carbon
19 dioxide from industrial and other anthropogenic sources, or to convert
20 such carbon dioxide into one or more products; (2) used to inject carbon
21 dioxide into a carbon dioxide injection well, as defined in K.S.A. 2024
22 Supp. 55-1637, and amendments thereto; or (3) used to recover carbon
23 dioxide from sequestration.

24 Sec. 3. K.S.A. 79-233 and 79-32,256 are hereby repealed.

25 Sec. 4. This act shall take effect and be in force from and after its
26 publication in the statute book.