

HOUSE BILL No. 2276

By Committee on Taxation

Requested by Representative Hoheisel on behalf of CATALYST

2-5

1 AN ACT concerning income taxation; relating to credits; providing an
2 income tax credit for an eligible small business that purchases qualified
3 local news organization advertising.
4

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

6 Section 1. (a) For taxable years 2026 through 2029, there shall be
7 allowed a credit against the tax liability imposed under the Kansas income
8 tax act for an eligible small business that purchases qualified local news
9 organization advertising from a local news organization.

10 (b) (1) The amount of the credit shall equal 50% of qualified local
11 news organization advertising expenditures for the first taxable year an
12 eligible small business earns the credit and 25% of qualified local news
13 organization advertising expenditures for each taxable year thereafter.

14 (2) A taxpayer shall be limited to a maximum amount of credit of
15 \$5,000 for the first taxable year an eligible small business taxpayer earns
16 the credit and a maximum amount of credit of \$2,500 for each taxable year
17 thereafter.

18 (c) Any unused credit amounts may be carried forward for up to ten
19 taxable years immediately following the taxable year for which the credits
20 were allowed. The credit shall not be refundable.

21 (d) Every taxpayer claiming a tax credit under this section shall
22 submit a certification signed by a representative of each local news
23 organization that the taxpayer purchased qualified local news organization
24 advertising with the taxpayer's income tax return form. A local news
25 organization must certify on the form that the local qualified news
26 organization qualifies as a qualified local news organization and that the
27 taxpayer purchased local news organization advertising.

28 (e) An entity that knowingly issues a false certification under
29 subsection (d) shall be subject to a civil penalty of not less than \$5,000 and
30 not more than \$10,000 for each false certification issued.

31 (f) As used in this section:

32 (1) "Advertising" means providing consideration for the publication,
33 dissemination, solicitation or circulation of visual, aural, spoken or written
34 communication, directly or indirectly, to:

35 (A) Induce any person or organization to purchase a good or service

1 or to contribute to a cause; or

2 (B) raise awareness of a brand, good, service or issue.

3 (2) "Eligible small business" means any entity that employs
4 individuals in Kansas where the average number of full-time employees
5 employed by such entity during such taxable year was less than 50.

6 (3) "Local news organization" means an entity that:

7 (A) Engages professionals to create, edit, produce and distribute
8 original content concerning matters of public interest, through reporting
9 activities, including conducting interviews, observing current events or
10 analyzing documents or other information;

11 (B) meets membership requirements of the Kansas press association
12 or the Kansas broadcasters association.

13 (4) "Qualified local news organization advertising" means amounts
14 paid or incurred in the ordinary course of a trade or business for:

15 (A) Advertising with a product, service or other offering that is fully
16 owned and operated by a local news organization; or

17 (B) advertising or underwriting on any broadcast radio or television
18 station licensed by the federal communications commission to serve a
19 local community.

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