

HOUSE BILL No. 2432

By Representatives Meyer, Oropeza and S. Ruiz

1-9

1 AN ACT concerning taxation; relating to excise tax; providing a tax on
2 large employers for certain federal benefits paid to employees.

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

5 Section 1. Sections 1 through 4, and amendments thereto, shall be
6 known and may be cited as the stop bad employers by zeroing out
7 subsidies act.

8 Sec. 2. (a) There is hereby imposed an excise tax on each large
9 employer equal to 100% of the qualified employee benefits received by an
10 employee of such employer for the taxable year.

11 (b) In the case of an employer that was not in existence throughout
12 the preceding calendar year, the determination of whether such employer is
13 a large employer shall be based on the average number of employees that
14 such employer is reasonably expected to employ on business days in the
15 current calendar year.

16 (c) Any reference in this section to an employer shall include a
17 reference to any predecessor of such employer.

18 (d) As used in this section:

19 (1) "Employee" means:

20 (A) Any full-time or part-time employee;

21 (B) any individual who is a full-time or part-time independent
22 contractor, including any employee of such independent contractor, and
23 provides services to the employer, unless:

24 (i) The individual is free from control and direction in connection
25 with the performance of the service, both under the contract for the
26 performance of service and in fact;

27 (ii) the service is performed outside the usual course of the business
28 of the employer; and

29 (iii) the individual is customarily engaged in an independently
30 established trade, occupation, profession or business of the same nature as
31 that involved in the service performed; or

32 (C) any individual who is a full-time or part-time joint employee, if
33 the employer possesses, reserves or exercises sufficient direct or indirect
34 control over the essential terms and conditions of employment of such
35 employee.

36 (2) "Large employer" means any employer who employed an average

1 of at least 500 employees on business days during the preceding calendar
2 year.

3 (3) "Qualified employee benefits" means the sum of the qualified
4 federal benefits received by individuals who are employees of such
5 employer for such taxable year.

6 (4) "Qualified federal benefits" means any of the following:

7 (A) The dollar value of supplemental nutrition as provided in the food
8 and nutrition act of 2008, as amended, for which a household that includes
9 such employee received.

10 (B) The dollar value of meals for which such employee or dependents
11 of such employee received under the national school lunch program.

12 (C) The total amount of the monthly assistance benefits received
13 pursuant to the United States housing act of 1937, as amended, where such
14 employee resides for rental of a dwelling unit.

15 (D) The amount of payments made for medical assistance for such
16 employee or dependents of such employee under a qualifying state
17 medicaid plan under title XIX of the social security act.

18 Sec. 3. Any large employer is prohibited from making inquiries
19 regarding an applicant for employment or otherwise seeking information
20 about such applicant, including through the use of any form or application,
21 relating to whether such applicant receives qualified federal benefits.

22 Sec. 4. (a) The director of taxation shall administer this act. All tax
23 payments required pursuant to this act shall be made to the director and
24 accompanied by a tax return upon forms devised and furnished by the
25 director.

26 (b) Taxes levied and collected pursuant to section 2, and amendments
27 thereto, shall be remitted to the director of taxation. The director shall
28 remit all such tax revenue to the state treasurer in accordance with the
29 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
30 each such remittance, the state treasurer shall deposit the entire amount in
31 the state treasury and credit 100% to the state general fund.

32 Sec. 5. This act shall take effect and be in force from and after its
33 publication in the statute book.