

SENATE BILL No. 69

By Committee on Assessment and Taxation

1-23

1 AN ACT concerning economic development; relating to rural opportunity
2 zones; extending the time period for eligibility for the loan repayment
3 program and the income tax credit; amending K.S.A. 2024 Supp. 74-
4 50,223 and 79-32,267 and repealing the existing sections.

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

7 Section 1. K.S.A. 2024 Supp. 74-50,223 is hereby amended to read as
8 follows: 74-50,223. (a) Any county that has been designated a rural
9 opportunity zone pursuant to K.S.A. 74-50,222, and amendments thereto,
10 may participate in the program provided in this section by authorizing such
11 participation by the county commission of such county through a duly
12 enacted written resolution. Such county shall provide a certified copy of
13 such resolution to the secretary of commerce on or before January 1, 2012,
14 for calendar year 2012, or on or before January 1 for each calendar year
15 thereafter, in which a county chooses to participate. Such resolution shall
16 obligate the county to participate in the program provided by this section
17 for a period of five years, and shall be irrevocable. Such resolution shall
18 specify the maximum amount of outstanding student loan balance for each
19 resident individual to be repaid as provided in subsection (b), except *that*
20 the maximum amount of such balance shall be \$15,000.

21 (b) If a county submits a resolution as provided in subsection (a),
22 under the program provided in this section, subject to subsection (d), the
23 state of Kansas and such county—~~which~~ *that* chooses to participate as
24 provided in subsection (a), shall agree to pay in equal shares the
25 outstanding student loan balance of any resident individual who qualifies
26 to have such individual's student loans repaid under the provisions of
27 subsection (c) over a five-year period, except that the maximum amount of
28 such balance shall be \$15,000. The amount of such repayment shall be
29 equal to 20% of the outstanding student loan balance of the individual in a
30 year over the five-year repayment period. The state of Kansas is not
31 obligated to pay the student loan balance of any resident individual who
32 qualifies pursuant to subsection (c) prior to the county submitting a
33 resolution to the secretary pursuant to subsection (a). Each such county
34 shall certify to the secretary that such county has made the payment
35 required by this subsection.

36 (c) A resident individual shall be entitled to have such individual's

1 outstanding student loan balance paid for attendance at an institution of
2 higher education where such resident individual earned an associate,
3 bachelor or post-graduate degree under the provisions of this section when
4 such resident individual establishes domicile in a county designated as a
5 rural opportunity zone ~~which~~ *that* participates in the program as provided
6 in subsection (a), on and after the date in which such county commenced
7 such participation, and prior to July 1, ~~2026~~ 2031. Such resident individual
8 may enroll in this program in a form and manner prescribed by the
9 secretary. Subject to subsection (d), once enrolled such resident individual
10 shall be entitled to full participation in the program for five years, except
11 that if the resident individual relocates outside the rural opportunity zone
12 for which the resident individual first qualified, such resident individual
13 forfeits such individual's eligibility to participate, and obligations under
14 this section of the state and the county terminate. No resident individual
15 shall enroll and be eligible to participate in this program after June 30,
16 ~~2026~~ 2031.

17 (d) The provisions of this act shall be subject to appropriation acts.
18 Nothing in this act guarantees a resident individual a right to the benefits
19 provided in this section. The county may continue to participate even if the
20 state does not participate.

21 (e) The secretary shall adopt rules and regulations necessary to
22 administer the provisions of this section.

23 (f) On January 1, 2012, and annually thereafter until January 1, ~~2027~~
24 2032, the secretary of commerce shall report to the senate committee on
25 assessment and taxation and the house of representatives committee on
26 taxation as to how many residents applied for the rural opportunity zone
27 tax credit.

28 Sec. 2. K.S.A. 2024 Supp. 79-32,267 is hereby amended to read as
29 follows: 79-32,267. (a) For taxable years commencing after December 31,
30 2011, and before January 1, ~~2027~~ 2032, there shall be allowed as a credit
31 against the tax liability of a resident individual taxpayer an amount equal
32 to the resident individual's income tax liability under the provisions of the
33 Kansas income tax act, when the resident individual:

34 (1) Establishes domicile in a rural opportunity zone on or after July 1,
35 2011, and prior to January 1, ~~2026~~ 2031, and was domiciled outside this
36 state for five or more years immediately prior to establishing their
37 domicile in a rural opportunity zone in this state;

38 (2) had Kansas source income less than \$10,000 in any one year for
39 five or more years immediately prior to establishing their domicile in a
40 rural opportunity zone in this state; and

41 (3) was domiciled in a rural opportunity zone during the entire
42 taxable year for which such credit is claimed.

43 (b) A resident individual may claim the credit authorized by this

1 section for not more than five consecutive years following establishment
2 of their domicile in a rural opportunity zone.

3 (c) The maximum amount of any refund under this section shall be
4 equal to the amount withheld from the resident individual's wages or
5 payments other than wages pursuant to K.S.A. 79-3294 et seq., and
6 amendments thereto, or paid by the resident individual as estimated taxes
7 pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.

8 (d) No credit shall be allowed under this section if:

9 (1) The resident individual's income tax return on which the credit is
10 claimed is not timely filed, including any extension; or

11 (2) the resident individual is delinquent in filing any return with, or
12 paying any tax due to, the state of Kansas or any political subdivision
13 thereof.

14 (e) This section shall be a part of and supplemental to the Kansas
15 income tax act.

16 Sec. 3. K.S.A. 2024 Supp. 74-50,223 and 79-32,267 are hereby
17 repealed.

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