

STATE OF KANSAS



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CHAIRMAN: JOINT ECONOMIC DEVELOPMENT
MEMBER: APPROPRIATIONS INSURANCE

House Taxation

Date: _____
Attachment: _____

March 6, 2012

Good afternoon, Chairperson Carlson, Taxation Committee members and staff. I appear today in support of **HB 2756**—Tax credit for person taking employment in a high unemployment rural opportunity zone.

I am very supportive of **HB 2756** as it has the potential to increase the work force in rural areas desperately needing workers while at the same time, providing employment for those in Kansas currently unemployed.

With that being said, I would like to suggest the following changes to **HB 2756**:

- Addition of language directing the Department of Labor and the Department of Revenue to advertise the program
- Addition of language requiring the Department of Revenue to report back to the House and Senate Taxation committees regarding the program no later than January 20, 2015.

Thank you for allowing me to provide this testimony regarding **HB 2756**. I will now stand for questions.

Representative Anthony R. Brown

House Taxation

Date: 3/6/12
Attachment: 1

HOUSE BILL No. 2756

By Committee on Appropriations

2-16

Proposed Amendments to HB 2756
For Committee on Taxation
March 6, 2012
Prepared by: Scott Wells
Office of Revisor of Statutes

1 AN ACT concerning taxation, establishing an income tax credit for certain
2 persons obtaining employment in a rural opportunity zone.

rural opportunity zones

providing for a detailed report by the secretary of revenue

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

4 Section 1. (a) For taxable years commencing after December 31,
5 2012, and before January 1, 2016, there shall be allowed as a credit against
6 the tax liability of a resident individual taxpayer an amount equal to the
7 resident individual's income tax liability under the provisions of the
8 Kansas income tax act, when the resident individual:

9 (1) Moves from a high unemployment county in Kansas and
10 establishes domicile in a rural opportunity zone on or after July 1, 2012,
11 and prior to January 1, 2016, for the purpose of accepting employment in
12 such rural opportunity zone and was:

13 (A) Domiciled in this state but not in a county designated as a rural
14 opportunity zone pursuant to K.S.A. 2011 Supp. 74-50,222, and
15 amendments thereto, for at least 12 months immediately prior to
16 establishing such resident individual's domicile in a rural opportunity zone
17 in this state; or
18

19 (B) Domiciled in this state in a county designated as a rural
20 opportunity zone pursuant to K.S.A. 2011 Supp. 74-50,222, and
21 amendments thereto, for at least 12 months immediately prior to
22 establishing such resident individual's domicile in a different county
23 designated rural opportunity zone in this state; and

24 (2) was domiciled in a rural opportunity zone during the entire
25 taxable year for which such credit is claimed.

26 (b) A resident individual may claim the credit authorized by this
27 section for not more than three consecutive years following establishment
28 of their domicile in a rural opportunity zone.

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

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

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

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

4 (e) For the purposes of this section, "high unemployment county"
5 means a county which has an unemployment rate of at least 5% as
6 determined by the secretary of labor.

7 (f) This section shall be part of and supplemental to the Kansas
8 income tax act.

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

11 3

Sec. 2. Before January 2, 2015, the secretary of revenue shall make a detailed report evaluating the effectiveness of the provisions of section 1, including the number of residents applying for the tax credit, as well as the number of residents who are participating in the programs provided for in K.S.A. 2011 Supp. 74-50,223, and amendments thereto, to the house committee on taxation and the senate committee on assessment and taxation.