

**SENATE BILL No. 458**

By Committee on Ways and Means

3-9

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1 AN ACT concerning income taxation; relating to income tax credit; certain  
2 bioscience companies relocating in Kansas; requirements and  
3 procedures.  
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. (a) For tax years 2013 through 2017, there shall be  
7 allowed as a credit against the tax liability of a qualified bioscience  
8 company under the provisions of the Kansas income tax act the amount of  
9 such company's income tax liability for Kansas source income received  
10 from such qualified bioscience company that is business income  
11 attributable to business activities conducted at the business facility, office,  
12 department or other operation relocated to Kansas on or after July 1, 2012.

13 (b) For purposes of this act, qualified "bioscience company" has the  
14 same meaning as the term is defined in K.S.A. 2011 Supp. 74-99b33, and  
15 amendments thereto, except such term shall not include a bioscience  
16 company identified by the NAICS code 622110.

17 (c) Business income attributable to the business activities conducted  
18 at the business facility, office, department or other operation relocated to  
19 Kansas of a qualified bioscience company shall be determined by  
20 multiplying the business income of the bioscience company apportioned to  
21 this state by a fraction, the numerator of which is the property factor plus  
22 the payroll factor plus the sales factor, and the denominator of which is  
23 three. For purposes of this subsection, the property factor is a fraction, the  
24 numerator of which is the average value of the company's real and tangible  
25 personal property owned or rented and used during the tax period as such  
26 relocated facility, office, department or other relocated operation in  
27 Kansas, and the denominator of which is the average value of the  
28 company's real and tangible personal property owned or rented and used  
29 within this state during the tax period. The payroll factor is a fraction, the  
30 numerator of which is the total amount paid during the tax period by the  
31 company for compensation at such related facility, office, department or  
32 other relocated operation in Kansas, and the denominator of which is the  
33 total compensation paid by the company in this state during the tax period.  
34 The sales factor is a fraction, the numerator of which is the total sales of  
35 the relocated facility, office, department or other relocated operation in this  
36 state during the tax period, and the denominator of which is the total sales

1 of the company in this state during the tax period.

2 (d) A taxpayer who is allowed a credit pursuant to this section shall  
3 not be eligible to claim the credit provided in K.S.A. 2011 Supp. 79-  
4 32,266, and amendments thereto.

5 (e) The secretary of revenue shall adopt rules and regulations  
6 regarding the filing of documents that support the qualifications of the  
7 taxpayer for the credit claimed pursuant to this section.

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