

HOUSE BILL No. 2400

By Committee on Taxation

3-12

1 AN ACT concerning schools; enacting the corporate education tax credit
2 scholarship program act; providing for educational scholarships;
3 authorizing a tax credit; amending K.S.A. 2012 Supp. 79-32,138 and
4 repealing the existing section.
5

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

7 New Section 1. The provisions of sections 1 through 7, and
8 amendments thereto, shall be known and may be cited as the corporate
9 education tax credit scholarship program act.

10 New Sec. 2. As used in the corporate education tax credit scholarship
11 program act:

12 (a) "Contributions" means monetary gifts or donations and in-kind
13 contributions, gifts or donations that have an established market value;

14 (b) "department" means the Kansas department of revenue;

15 (c) "educational scholarship" means an amount not to exceed \$8,000
16 provided to eligible students to cover all or a portion of the costs of tuition,
17 fees and expenses of a qualified school and, if applicable, the costs of
18 transportation to a qualified school if provided by such qualified school;

19 (d) "eligible student" means a child who:

20 (1) (A) Is a member of a household whose total annual income during
21 the year prior to receiving an educational scholarship under this program
22 does not exceed 185% of the most recent federal poverty income
23 guidelines published in the calendar year by the United States department
24 of health and human services;

25 (B) has an individualized education program and is considered a child
26 with a disability, as defined by K.S.A. 72-962(z), and amendments thereto;
27 or

28 (C) has received an educational scholarship under this program and
29 has not graduated from high school or reached 21 years of age;

30 (2) resides in Kansas while receiving an educational scholarship; and

31 (3) (A) was enrolled in any public school in the previous school year;
32 or

33 (B) is eligible to be enrolled in any public school in the school year in
34 which an educational scholarship is first sought for the child and the child
35 is under the age of six years;

36 (e) "individualized education program" shall have the meaning

Proposed Amendments for HB 2400
For Committee on Education
March 20, 2013

**Re: Allocation of tax credits to assist with the
administration of the cap**
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Office of Revisor of Statutes

1 section were met by the scholarship granting organization, the state board
2 shall issue a certificate of compliance to the director of taxation.

3 (c) The state board shall adopt rules and regulations to implement the
4 provisions of this section.

5 New Sec. 7. (a) There shall be allowed a credit against the corporate
6 income tax liability imposed upon a taxpayer pursuant to the Kansas
7 income tax act, the privilege tax liability imposed upon a taxpayer
8 pursuant to the privilege tax imposed upon any national banking
9 association, state bank, trust company or savings and loan association
10 pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and
11 amendments thereto, and the premium tax liability imposed upon a
12 taxpayer pursuant to the premiums tax and privilege fees imposed upon an
13 insurance company pursuant to K.S.A. 40-252, and amendments thereto,
14 for tax years commencing after December 31, 2012, an amount equal to
15 70% of the amount contributed to a scholarship granting organization
16 authorized pursuant to section 1 et seq., and amendments thereto.

17 (b) The credit shall be claimed and deducted from the taxpayer's tax
18 liability during the tax year which immediately follows the tax year in
19 which the contribution was made to any such scholarship granting
20 organization.

21 (c) For each tax year, in no event shall the total amount of credits
22 allowed under this section exceed \$10,000,000 for any one tax year.

23 (d) If the amount of any such tax credit claimed by a taxpayer
24 exceeds the taxpayer's income, privilege or premium tax liability, such
25 excess amount may be carried over for deduction from the taxpayer's
26 income, privilege or premium tax liability in the next succeeding year or
27 years until the total amount of the credit has been deducted from tax
28 liability.

29 (e) The secretary shall adopt rules and regulations regarding filing of
30 documents that support the amount of credit claimed pursuant to this
31 section.

32 Sec. 8. K.S.A. 2012 Supp. 79-32,138 is hereby amended to read as
33 follows: 79-32,138. (a) Kansas taxable income of a corporation taxable
34 under this act shall be the corporation's federal taxable income for the
35 taxable year with the modifications specified in this section.

36 (b) There shall be added to federal taxable income: (i) The same
37 modifications as are set forth in subsection (b) of K.S.A. 79-32,117, and
38 amendments thereto, with respect to resident individuals, except
39 subsections (b)(xix), (b)(xx), (b)(xxi), (b)(xxii) and (b)(xxiii).

40 (ii) The amount of all depreciation deductions claimed for any
41 property upon which the deduction allowed by K.S.A. 2012 Supp. 79-
42 32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-
43 32,255 or 79-32,256, and amendments thereto, is claimed.

Except as otherwise provided, the allocation of such tax credits for each scholarship granting organization shall be determined by the scholarship granting organization in consultation with the secretary, and such determination shall be completed prior to the issuance of any tax credits pursuant to this section.