

HOUSE BILL No. 2298

By Committee on Taxation

2-10

1 AN ACT concerning economic development; relating to rural opportunity
2 zones; amending K.S.A. 2014 Supp. 74-50,223 and 79-32,267 and
3 repealing the existing sections.
4

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

6 Section 1. K.S.A. 2014 Supp. 74-50,223 is hereby amended to read as
7 follows: 74-50,223. (a) Any county that has been designated a rural
8 opportunity zone pursuant to K.S.A. 74-50,222, and amendments thereto,
9 may participate in the program provided in this section by authorizing such
10 participation by the county commission of such county through a duly
11 enacted written resolution. Such county shall provide a certified copy of
12 such resolution to the secretary of commerce on or before January 1, 2012,
13 for calendar year 2012, or on or before January 1 for each calendar year
14 thereafter, in which a county chooses to participate. Such resolution shall
15 obligate the county to participate in the program provided by this section
16 for a period of five years, and shall be irrevocable. Such resolution shall
17 specify the maximum amount of outstanding student loan balance for each
18 resident individual to be repaid as provided in subsection (b), except the
19 maximum amount of such balance shall be \$15,000.

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

34 (c) A resident individual shall be entitled to have such individual's
35 outstanding student loan balance paid for attendance at an institution of
36 higher education where such resident individual earned an associate,

1 bachelor or post-graduate degree under the provisions of this section when
2 such resident individual establishes domicile in a county designated as a
3 rural opportunity zone which participates in the program as provided in
4 subsection (a), on and after the date in which such county commenced
5 such participation, ~~and prior to July 1, 2016~~. Such resident individual may
6 enroll in this program in a form and manner prescribed by the secretary.
7 Subject to subsection (d), once enrolled such resident individual shall be
8 entitled to full participation in the program for five years, except that if the
9 resident individual relocates outside the rural opportunity zone for which
10 the resident individual first qualified, such resident individual forfeits such
11 individual's eligibility to participate, and obligations under this section of
12 the state and the county terminate. ~~No resident individual shall enroll and
13 be eligible to participate in this program after June 30, 2016.~~

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

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

20 (f) On January 1, 2012, and annually thereafter ~~until January 1, 2017~~,
21 the secretary of commerce shall report to the senate committee on
22 assessment and taxation and the house of representatives committee on
23 taxation as to how many residents applied for the rural opportunity zone
24 tax credit.

25 Sec. 2. K.S.A. 2014 Supp. 79-32,267 is hereby amended to read as
26 follows: 79-32,267. (a) For taxable years commencing after December 31,
27 2011, ~~and before January 1, 2017~~, there shall be allowed as a credit against
28 the tax liability of a resident individual taxpayer an amount equal to the
29 resident individual's income tax liability under the provisions of the
30 Kansas income tax act, when the resident individual:

31 (1) Establishes domicile in a rural opportunity zone on or after July 1,
32 2011, ~~and prior to January 1, 2016~~, and was domiciled outside this state for
33 five or more years immediately prior to establishing their domicile in a
34 rural opportunity zone in this state;

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

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

40 (b) A resident individual may claim the credit authorized by this
41 section for not more than five consecutive years following establishment
42 of their domicile in a rural opportunity zone.

43 (c) The maximum amount of any refund under this section shall be

1 equal to the amount withheld from the resident individual's wages or
2 payments other than wages pursuant to K.S.A. 79-3294 et seq., and
3 amendments thereto, or paid by the resident individual as estimated taxes
4 pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.

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

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

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

11 (e) This section shall be part of and supplemental to the Kansas
12 income tax act.

13 Sec. 3. K.S.A. 2014 Supp. 74-50,223 and 79-32,267 are hereby
14 repealed.

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