

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend **HB 2118**, as amended by House Committee, on page 4, following line 4, by inserting:

"Sec. 6. Sections 6 through 9, and amendments thereto, shall be known and may be cited as the state employee student loan repayment assistance act.

Sec. 7. As used in the state employee student loan repayment assistance act:

(a) "Board" means the state board of regents.

(b) "Eligible borrower" means any state employee who:

(1) Received or agreed to the terms of a student loan to attend a postsecondary educational institution; and

(2) obtained an academic degree from a postsecondary educational institution.

(c) "Postsecondary educational institution" means any:

(1) State educational institution as such term is defined in K.S.A. 76-711, and amendments thereto; or

(2) community college, municipal university, technical college or independent postsecondary educational institution as such terms are defined in K.S.A. 74-32,194, and amendments thereto.

(d) "State employee" means a person employed by the state of Kansas as a classified or unclassified employee in the state personnel system or any appointed or elective officer of the state of Kansas.

(e) (1) "Student loan" means: (A) Any federal education loan or other loan primarily used to finance educational expenses, including, but not limited to, loans used to finance tuition, fees, books,

supplies, room and board, transportation and miscellaneous personal expenses; or (B) any loan made for the purpose of refinancing a student loan as defined in subparagraph (A).

(2) The term "student loan" shall not include: (A) Any extension of credit under an open-ended consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction or any other loan that is secured by real or personal property; or (B) an extension of credit made by a postsecondary educational institution, if the term of such extension of credit is no longer than a person's educational program.

(f) "Student loan eligible for repayment" means any student loan of an eligible borrower to which such eligible borrower is making payments for the purpose of repayment of such student loan.

Sec. 8. (a) To be eligible to receive the student loan repayment assistance tax credit pursuant to section 9, and amendments thereto, a person must be an eligible borrower.

(b) (1) Upon application to the board of regents, in each calendar year, the board of regents shall certify whether a person is an eligible borrower and shall determine the total amount of principal and interest the eligible borrower paid upon such loan for the calendar year. Application for certification pursuant to this section shall be submitted in such form and manner as prescribed by the board.

(2) The board shall require an initial application for certification of an eligible borrower to include a transcript of the applicant's coursework and degree obtained at a postsecondary educational institution.

(3) The board shall require each eligible borrower to submit verification of state employment for the tax year in which the student loan repayment assistance tax credit is claimed. If an eligible borrower was not a state employee for the entirety of the tax year in which such tax credit is claimed, the board shall certify the amount of principal and interest the eligible borrower paid as a state employee, or is anticipated to pay as a state employee based on such borrower's loan repayment plan,

upon such loan for the tax year.

(c) The board may establish rules and regulations for the administration of the provisions of the state employee student loan repayment act.

Sec. 9. There shall be allowed a credit against the tax liability imposed upon a taxpayer pursuant to the Kansas income tax act for tax year 2020, and each tax year thereafter, an amount equal to 15% of the total principal and interest paid by an eligible borrower upon a student loan eligible for repayment that was certified by the state board of regents pursuant to section 8, and amendments thereto. The credit shall be claimed and deducted from the taxpayer's income tax liability during the tax year in which payments were made upon such student loan eligible for repayment. If the amount of any such tax credit claimed by a taxpayer exceeds the taxpayer's income tax liability, such excess amount shall be refunded to the taxpayer. Each taxpayer shall provide a copy of the certification obtained pursuant to section 8, and amendments thereto, when claiming such credit.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking the comma and inserting "; providing credits to state employees repaying student loans;"

_____ District.