

Tax Year

Session of 2021

HOUSE BILL No. 2394

By Committee on Taxation

2-17

1 AN ACT concerning the research and development tax credit; relating to
2 the amount of the credit; expanding eligibility beyond taxpayers subject
3 to the corporate income tax; transferability; amending K.S.A. 79-
4 32,182b and repealing the existing section.

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

7 Section 1. K.S.A. 79-32,182b is hereby amended to read as follows:
8 79-32,182b. (a) For all taxable years commencing after December 31,
9 ~~2000~~, a credit shall be allowed against the tax imposed by the Kansas
10 income tax act on the Kansas taxable income of a taxpayer for
11 expenditures in research and development activities conducted within this
12 state in an amount equal to ~~6¹/₂%~~ 10% of the amount by which the amount
13 expended for such activities in the taxable year of the taxpayer exceeds the
14 taxpayer's average of the actual expenditures for such purposes made in
15 such taxable year and the next preceding two taxable years.

16 (b) In any one taxable year, the amount of such credit allowable for
17 deduction from the taxpayer's tax liability shall not exceed 25% of the total
18 amount of such credit plus any applicable carry forward amount. The
19 amount by which that portion of the credit allowed by subsections (a) and
20 (b) to be claimed in any one taxable year exceeds the taxpayer's tax
21 liability in such year may be carried forward until the total amount of the
22 credit is used.

23 (c) As used in this section, the term "expenditures in research and
24 development activities" means expenditures made for such purposes, other
25 than expenditures of moneys made available to the taxpayer pursuant to
26 federal or state law, which are treated as expenses allowable for deduction
27 under the provisions of the federal internal revenue code of 1986, as
28 amended, except that for taxable years commencing after December 31,
29 2013, expenditures in research and development activities shall not include
30 any expenditures for the performance of any abortion, as defined in K.S.A.
31 65-6701, and amendments thereto.

32 (d) ~~For tax year 2013 and all tax years thereafter, the income tax~~
33 ~~credit provided by this section shall only be available to taxpayers subject~~
34 ~~to the income tax on corporations imposed pursuant to subsection (c) of~~
35 ~~K.S.A. 79-32,110, and amendments thereto, and shall be applied only~~
36 ~~against such taxpayer's corporate income tax liability For tax year 2021,~~

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1 *and all tax years thereafter, the income tax credit allowed pursuant to this*
2 *section shall be transferable by a taxpayer without a current tax liability.*
3 *The tax credit may be transferred to any person and be claimed by the*
4 *transferee as a credit against the transferee's Kansas income tax liability*
5 *in the tax year when it was transferred. The credit shall be claimed and*
6 *may be carried forward by the transferee as provided and limited by*
7 *subsection (b). No person shall be entitled to a refund for the transferred*
8 *tax credit. Only the full credit may be transferred, and the credit may only*
9 *be transferred one time. Documentation of any credit acquired by transfer*
10 *shall be provided by the taxpayer or the transferee in the manner required*
11 *by the secretary of revenue.*

12 Sec. 2. K.S.A. 79-32,182b is hereby repealed.

13 Sec. 3. This act shall take effect and be in force from and after its
14 publication in the statute book.

on and after January 1, 2023, and