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MEMORANDUM

To: Madam Chairperson and Members of the Committee on Assessment and Taxation
From: Office of Revisor of Statutes
Date: March 22, 2021
Subject: Senate Bill No. 263

Summary

Senate Bill No. 263 relates to income taxation and would eliminate the reduction of the child day care services assistance tax credit in subsequent years and the limitation to corporate taxpayers and would establish a credit for employer payments to organizations for child day care services access.

Currently, pursuant to K.S.A. 79-32,190, in the taxable year in which a child day care facility for use primarily by the dependent children of the taxpayer's employees is established, the taxpayer is allowed an income tax or privilege tax credit in the amount of 50% of the total amount expended during such year by a taxpayer in the establishment and operation of such facility. In the following taxable years, the tax credit is in an amount of 30% of the amount equal to the total amount expended during the taxable year by a taxpayer for the operation of such facility less the amount of moneys received by the taxpayer for use of such facility for child day care services.

The bill would amend K.S.A. 79-32,190 to change the percentage applied to the amount expended to calculate the credit from 30% to 50% in the years after the initial establishment year for tax year 2021 and thereafter.

The bill would also establish a tax credit in the amount of 50% of the total amount expended during the taxable year by a taxpayer as payments to an organization providing access to available child day care services for the taxpayer's employees for tax year 2021 and the

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The bill also would discontinue the current limitation that only corporate taxpayers are eligible for the income tax credit after tax year 2020.

The bill would take effect from and after its publication in the statute book.