

SENATE BILL No. 426

By Senator Sykes

2-1

1 AN ACT concerning income taxation; relating to the child day care
2 services assistance tax credit; increasing the amount of the credit for
3 years following facility establishment; providing a credit for employer
4 payments to an organization providing access to employees for child
5 day care services; expanding eligible taxpayers; amending K.S.A. 79-
6 32,190 and repealing the existing section.

7
8 *Be it enacted by the Legislature of the State of Kansas:*

9 Section 1. K.S.A. 79-32,190 is hereby amended to read as follows:
10 79-32,190. (a) Any taxpayer that pays for or provides child day care
11 services, including the provision of the service of locating such services, to
12 its employees or that provides facilities and necessary equipment for child
13 day care services shall be allowed a credit against the privilege or income
14 tax imposed by articles 11 and 32 of chapter 79 of the Kansas Statutes
15 Annotated, *and amendments thereto*, as follows:

16 (1) ~~Thirty percent~~30% of the total amount expended in the state
17 during the taxable year by a taxpayer for child day care services purchased
18 to provide care for the dependent children of the taxpayer's employees or
19 for the provision of the service of locating such services for such children;

20 (2) (A) in the taxable year in which a facility providing child day care
21 services in the state for use primarily by the dependent children of the
22 taxpayer's employees is established, 50% of the total amount expended
23 during such year by a taxpayer in the establishment and operation of such
24 facility;

25 (B) (i) *for the taxable years commencing before January 1, 2022*, in
26 the taxable years other than the taxable year to which paragraph (2)(A)
27 applies, 30% of the amount equal to the total amount expended during the
28 taxable year by a taxpayer for the operation of a facility described in
29 paragraph (2)(A) less the amount of moneys received by the taxpayer for
30 use of such facility for child day care services; *and*

31 (ii) *for all taxable years commencing after December 31, 2021*, in the
32 taxable years other than the taxable year to which paragraph (2)(A)
33 applies, 50% of the amount equal to the total amount expended during the
34 taxable year by a taxpayer for the operation of a facility described in
35 paragraph (2)(A) less the amount of moneys received by the taxpayer for
36 use of such facility for child day care services;

1 (3) (A) in the taxable year in which a facility providing child day care
 2 services in the state for use primarily by the dependent children of the
 3 taxpayers' employees is established in conjunction with one or more other
 4 taxpayers, 50% of the total amount expended during such year by a
 5 taxpayer in the establishment and operation of such facility;

6 (B) (i) *for the taxable years commencing before January 1, 2022, in*
 7 *the taxable years other than the taxable year to which paragraph (3)(A)*
 8 *applies, 30% of the amount equal to the total amount expended during the*
 9 *taxable year by a taxpayer for the operation of a facility described in*
 10 *paragraph (3)(A) less the amount of moneys received by the taxpayer for*
 11 *use of such facility for child day care services; and*

12 (ii) *for all taxable years commencing after December 31, 2021, in the*
 13 *taxable years other than the taxable year to which paragraph (3)(A)*
 14 *applies, 50% of the amount equal to the total amount expended during the*
 15 *taxable year by a taxpayer for the operation of a facility described in*
 16 *paragraph (3)(A) less the amount of moneys received by the taxpayer for*
 17 *use of such facility for child day care services; and*

18 (4) *for all taxable years commencing after December 31, 2021, 50%*
 19 *of the amount equal to the total amount expended during the taxable year*
 20 *by a taxpayer as payments to an organization providing access to*
 21 *available child day care services for the taxpayer's employees.*

22 (b) No credit shall be allowed under this section unless the child day
 23 care facility or provider is licensed or registered pursuant to Kansas law.

24 (c) The credit allowed by ~~paragraphs (1), (2)(B) and (3)(B) of~~
 25 ~~subsection (a)(1), (2)(B) and (3)(B)~~ shall not exceed \$30,000 for any
 26 taxpayer during any taxable year. The credit allowed by ~~paragraphs (2)(A)~~
 27 ~~and (3)(A) of subsection (a)(2)(A), (3)(A) and (4)~~ shall not exceed \$45,000
 28 for any taxpayer during any taxable year. The amount of the credit which
 29 exceeds the tax liability for a taxable year shall be refunded to the
 30 taxpayer. If the taxpayer is a corporation having an election in effect under
 31 subchapter S of the federal internal revenue code or a partnership, the
 32 credit provided by this section shall be claimed by the shareholders of such
 33 corporation or the partners of such partnership in the same manner as such
 34 shareholders or partners account for their proportionate shares of the
 35 income or loss of the corporation or partnership.

36 (d) The aggregate amount of credits claimed under this act for any
 37 fiscal year shall not exceed \$3,000,000.

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

43 Sec. 2. K.S.A. 79-32,190 is hereby repealed.

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