

HOUSE BILL No. 2043

By Representative Gartner

1-17

1 AN ACT concerning taxation; relating to income tax credits; property and
2 sales tax exemptions; periodic review, reports to certain legislative
3 committees.

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. (a) On or before February 1 of each year, the commissioner
7 of insurance shall make a presentation to the senate standing committee on
8 financial institutions and insurance and the house standing committee on
9 insurance reviewing the following tax credits according to the following
10 schedule:

11 (1) In 2020:

12 (A) The credit for salaries paid to Kansas employees authorized by
13 K.S.A. 40-252d, and amendments thereto;

14 (B) the credit for certain business investment expenses in qualified
15 business facilities authorized by K.S.A. 2018 Supp. 40-252f, and
16 amendments thereto; and

17 (C) the insurance department service regulation fund credit
18 authorized by K.S.A. 40-112, and amendments thereto;

19 (2) in 2021:

20 (A) The health insurance association assessment credit authorized by
21 K.S.A. 40-2121, and amendments thereto;

22 (B) the small insurance company credit authorized by K.S.A. 40-
23 252e, and amendments thereto; and

24 (C) the property and casualty insurance guaranty association credit
25 authorized by K.S.A. 40-2906a, and amendments thereto; and

26 (3) in 2022:

27 (A) The fire fighters relief fund credit authorized by K.S.A. 40-252,
28 and amendments thereto;

29 (B) the fire marshal credit authorized by K.S.A. 40-252, and
30 amendments thereto;

31 (C) the life and health insurance guaranty association credit
32 authorized by K.S.A. 40-3016, and amendments thereto; and

33 (D) the disabled accessibility credit authorized by K.S.A. 70-2813,
34 and amendments thereto.

35 (b) The presentation required by subsection (a) shall include the
36 following information:

- 1 (1) A description of the credit, its history and its goals;
- 2 (2) an assessment of the credit's design and administration; and
- 3 (3) an estimate of the credit's economic and fiscal impact.
- 4 (c) A tax credit reviewed pursuant to subsection (a) shall be reviewed
- 5 again not more than three years after the credit was most recently
- 6 reviewed.
- 7 (d) On or before March 1 of each year, the senate standing committee
- 8 on financial institutions and insurance and the house standing committee
- 9 on insurance shall make a report to the legislature summarizing the
- 10 committee's findings, conclusions and recommendations. A copy of such
- 11 report shall be published on the Kansas insurance department's website.
- 12 Sec. 2. (a) On or before February 1 of each year, the secretary of
- 13 commerce shall make a presentation to the senate standing committee on
- 14 commerce and the house standing committee on commerce, labor and
- 15 economic development reviewing the following tax credits and economic
- 16 development programs according to the following schedule:
- 17 (1) In 2020:
- 18 (A) The STAR bond financing act, K.S.A. 2018 Supp. 12-17,162 et
- 19 seq., and amendments thereto;
- 20 (B) the high performance incentive program, K.S.A. 74-50,131, and
- 21 amendments thereto;
- 22 (C) tax credits for investment in stock of Kansas venture capital, inc.,
- 23 authorized by K.S.A. 74-8206, and amendments thereto; and
- 24 (D) tax credits for investment in a certified Kansas venture capital
- 25 company authorized by K.S.A. 74-8304, and amendments thereto;
- 26 (2) in 2021:
- 27 (A) The promoting employment across Kansas act, K.S.A. 74-50,210
- 28 et seq., and amendments thereto;
- 29 (B) expenditures from the job creation fund created by K.S.A. 74-
- 30 50,224, and amendments thereto;
- 31 (C) tax credits for investment in the technology-based venture-capital
- 32 fund authorized by K.S.A. 74-8316, and amendments thereto; and
- 33 (D) tax credits for investment in a certified local seed capital pool
- 34 authorized by K.S.A. 74-8401, and amendments thereto; and
- 35 (3) in 2022:
- 36 (A) Student loans paid for a resident individual living in a rural
- 37 opportunity zone, K.S.A. 74-50,223, and amendments thereto;
- 38 (B) rural opportunity zone tax credits authorized by K.S.A. 2018
- 39 Supp. 79-32,267, and amendments thereto;
- 40 (C) tax credits authorized by the Kansas angel investor tax credit act,
- 41 K.S.A. 74-8131 et seq., and amendments thereto; and
- 42 (D) tax credits authorized by the individual development account
- 43 program act, K.S.A. 74-50,208, and amendments thereto.

1 (b) The presentation required by subsection (a) shall include the
2 following information:

- 3 (1) A description of the incentive, its history and its goals;
- 4 (2) an assessment of the incentive's design and administration; and
- 5 (3) an estimate of the incentive's economic and fiscal impact.
- 6 (c) A tax credit or economic development program reviewed pursuant
7 to subsection (a) shall be reviewed again not more than three years after
8 the credit was most recently reviewed.

9 (d) On or before March 1 of each year, the senate standing committee
10 on commerce and the house standing committee on commerce, labor and
11 economic development shall make a report to the legislature summarizing
12 the committee's findings, conclusions and recommendations. A copy of
13 such report shall be published on the Kansas department of commerce's
14 website.

15 Sec. 3. (a) On or before February 1 of each year, the secretary of
16 revenue shall make a presentation to the senate standing committee on
17 assessment and taxation and the house standing committee on taxation
18 reviewing the following tax credits and exemptions according to the
19 following schedule:

- 20 (1) In 2020:
 - 21 (A) The adoption credit authorized by K.S.A. 2018 Supp. 79-32,202a,
22 and amendments thereto;
 - 23 (B) the earned income credit authorized by K.S.A. 2018 Supp. 79-
24 32,205, and amendments thereto;
 - 25 (C) the research and development credit authorized by K.S.A. 2018
26 Supp. 79-32,182b, and amendments thereto; and
 - 27 (D) property tax exemptions;
- 28 (2) in 2021:
 - 29 (A) The business and job development credit authorized by K.S.A.
30 79-32,153, and amendments thereto;
 - 31 (B) the historic preservation credit authorized by K.S.A. 2018 Supp.
32 79-32,211, and amendments thereto;
 - 33 (C) the film production credit authorized by K.S.A. 2018 Supp. 79-
34 32,258, and amendments thereto; and
 - 35 (D) sales tax exemptions;
- 36 (3) in 2022:
 - 37 (A) The community service contribution credit authorized by K.S.A.
38 79-32,197, and amendments thereto;
 - 39 (B) the environmental compliance credit authorized by K.S.A. 2018
40 Supp. 79-32,222, and amendments thereto;
 - 41 (C) the assistive technology contribution credit authorized by K.S.A.
42 65-7107, and amendments thereto; and
 - 43 (D) the low-income student scholarship credit authorized by K.S.A.

1 72-4357, and amendments thereto; and

2 (4) in 2023:

3 (A) The tax credit on food purchases authorized by K.S.A. 2018
4 Supp. 79-32,271, and amendments thereto;

5 (B) the telecommunications property tax credit authorized by K.S.A.
6 2018 Supp. 79-32,210, and amendments thereto; and

7 (C) the higher education deferred maintenance credit authorized by
8 K.S.A. 2018 Supp. 79-32,261, and amendments thereto.

9 (b) The presentation required by subsection (a) shall include the
10 following information:

11 (1) A description of the incentive, its history and its goals;

12 (2) an assessment of the incentive's design and administration; and

13 (3) an estimate of the incentive's economic and fiscal impact.

14 (c) A tax credit reviewed pursuant to subsection (a) shall be reviewed
15 again not more than four years after the credit was most recently reviewed.

16 (d) On or before March 1 of each year, the senate standing committee
17 on assessment and taxation and the house standing committee on taxation
18 shall make a report to the legislature summarizing the committee's
19 findings, conclusions and recommendations. A copy of such report shall be
20 published on the Kansas department of revenue's website.

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