

## HOUSE BILL No. 2216

By Representative Alcalá

2-8

1 AN ACT concerning postsecondary education; relating to repayment of  
2 student loans; tax credits; establishing the state employee student loan  
3 repayment assistance act.

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

6 Section 1. Sections 1 through 4, and amendments thereto, shall be  
7 known and may be cited as the state employee student loan repayment  
8 assistance act.

9 Sec. 2. As used in the state employee student loan repayment  
10 assistance act:

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

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

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

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

17 (c) "Postsecondary educational institution" means any:

18 (1) State educational institution as such term is defined in K.S.A. 76-  
19 711, and amendments thereto; or

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

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

26 (e) (1) "Student loan" means: (A) Any federal education loan or other  
27 loan primarily used to finance educational expenses, including, but not  
28 limited to, loans used to finance tuition, fees, books, supplies, room and  
29 board, transportation and miscellaneous personal expenses; or (B) any loan  
30 made for the purpose of refinancing a student loan as defined in  
31 subparagraph (A).

32 (2) The term "student loan" shall not include: (A) Any extension of  
33 credit under an open-ended consumer credit plan, a reverse mortgage  
34 transaction, a residential mortgage transaction or any other loan that is  
35 secured by real or personal property; or (B) an extension of credit made by  
36 a postsecondary educational institution, if the term of such extension of

1 credit is no longer than a person's educational program.

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

5 Sec. 3. (a) To be eligible to receive the student loan repayment  
6 assistance tax credit pursuant to section 4, and amendments thereto, a  
7 person must be an eligible borrower.

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

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

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

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

28 Sec. 4. There shall be allowed a credit against the tax liability  
29 imposed upon a taxpayer pursuant to the Kansas income tax act for tax  
30 year 2020, and each tax year thereafter, an amount equal to 50% of the  
31 total principal and interest paid by an eligible borrower upon a student  
32 loan eligible for repayment that was certified by the state board of regents  
33 pursuant to section 3, and amendments thereto. The credit shall be claimed  
34 and deducted from the taxpayer's income tax liability during the tax year in  
35 which payments were made upon such student loan eligible for repayment.  
36 If the amount of any such tax credit claimed by a taxpayer exceeds the  
37 taxpayer's income tax liability, such excess amount shall be refunded to the  
38 taxpayer. Each taxpayer shall provide a copy of the certification obtained  
39 pursuant to section 3, and amendments thereto, when claiming such  
40 credit.

41 Sec. 5. This act shall take effect and be in force from and after its  
42 publication in the statute book.