

SENATE BILL No. 251

By Committee on Utilities

2-10

9 AN ACT relating to income taxation; concerning credits for electricity
10 produced by renewable resources.

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12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) For taxable years commencing after December 31,
14 2004, and for each of the 10 consecutive taxable years after the taxable
15 year in which first allowed, a credit shall be allowed against the tax im-
16 posed by the Kansas income tax act on the Kansas taxable income of a
17 taxpayer who sells electricity generated by an eligible renewable gener-
18 ation facility during such year. The amount of the credit shall be \$.005
19 per kilowatt-hour of electricity generated by such eligible renewable gener-
20 ation facility.

21 (b) If the amount of the tax credit allowed by this section exceeds the
22 taxpayer's income tax liability for such taxable year, the amount thereof
23 which exceeds such tax liability may be carried over for deduction from
24 the taxpayer's income tax liability in the next succeeding taxable year or
25 years until the total amount of the tax credit has been deducted from tax
26 liability.

27 (c) Any person, hereinafter designated the assignor, may sell, assign,
28 convey or otherwise transfer tax credits allowed and earned pursuant to
29 subsection (a). The taxpayer acquiring credits, hereinafter designated the
30 assignee, may use the amount of the acquired credits to offset up to 100%
31 of its income, privilege or premiums tax liability for the taxable year in
32 which such acquisition was made. Unused credit amounts claimed by the
33 assignee may be carried forward for up to five years, except that all such
34 amounts shall be claimed within 10 years following the tax year in which
35 the qualified credits were allowed. The assignor shall enter into a written
36 agreement with the assignee establishing the terms and conditions of the
37 agreement and shall perfect such transfer by notifying the state corpo-
38 ration commission in writing within 90 calendar days following the effec-
39 tive date of the transfer and shall provide any information as may be
40 required by state corporation commission and carry out the provisions of
41 this section. The amount received by the assignor of such tax credit shall
42 be taxable as income of the assignor, and the excess of the value of such
43 credit over the amount paid by the assignee for such credit shall be taxable

1 as income of the assignee.

2 (d) As used in this section:

3 (1) “Eligible renewable generation facility” means any new electric
4 generation facility or an expansion of an existing electric generation fa-
5 cility located in this state which generates electricity by the use of renew-
6 able resources or technologies.

7 (2) “Renewable resources or technologies” means wind, solar, ther-
8 mal, photovoltaic, biomass, hydropower, geothermal, waste incineration
9 and landfill gas resources or technologies located in Kansas.

10 (e) The secretary of revenue shall adopt such rules and regulations
11 as necessary to carry out the purposes of this section.

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