

SENATE BILL No. 280

By Committee on Ways and Means

2-23

9 AN ACT concerning income taxation; relating to credits; renewable en-
10 ergy facilities and community wind energy facilities.

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

13 Section 1. (a) As used in this section: (1) “Electricity generated by
14 renewable energy facilities” means electricity that is exclusively produced
15 by any facility located in this state with a rated production capacity of one
16 megawatt or greater, constructed for the generation of electricity and
17 placed in operation after December 31, 2005, which utilizes renewable
18 energy as its fuel source; and

19 (2) “renewable energy” means energy produced by wind, biomass,
20 solar, hydro or geothermal sources.

21 (b) For taxable years commencing after December 31, 2004, and dur-
22 ing the time period when the renewable energy production tax credit
23 pursuant to section 45 of the internal revenue code, 26 U.S.C. section 45,
24 is not in effect, there shall be allowed a credit against the income tax
25 imposed by the Kansas income tax act to the taxpayer for the taxpayer’s
26 production and sale to an unrelated person of electricity generated by
27 renewable energy facilities owned and operated by the taxpayer and lo-
28 cated in areas of the state outside of Pottawatomie, Riley, Shawnee, Wa-
29 baunsee, Geary, Morris, Lyon, Dickinson, Marion, Chase, Greenwood
30 and Butler counties within an area bounded on the north by U.S. highway
31 24, bounded on the east by Kansas highways 99 and 4, bounded on the
32 south by Kansas highway 400 and bounded on the west by Kansas highway
33 77.

34 (c) The amount of the tax credit shall be \$.013 for each kilowatt-hour
35 of electricity generated by the renewable energy facility. Credits may be
36 claimed for electricity generated for a period not to exceed 10 years.

37 (d) If the credit allowed pursuant to this section exceeds the amount
38 of income taxes due or if there are no income taxes due on the income
39 of the taxpayer, the amount of the credit allowed but not used in any tax
40 year shall be refunded to the taxpayer.

41 Sec. 2. (a) As used in this section: “Electricity generated by com-
42 munity wind energy facilities” means electricity that is exclusively pro-
43 duced by any facility located in this state with a rated production capacity

1 of one megawatt but less than 30 megawatts, constructed for the gener-
2 ation of electricity and placed into operation after December 31, 2004,
3 and before December 31, 2009, which utilizes wind energy as such fa-
4 cility's fuel source.

5 (b) For taxable years commencing after December 31, 2004, there
6 shall be allowed a credit against the income tax imposed by the Kansas
7 income tax act to a taxpayer for the taxpayer's production and sale to an
8 unrelated person of electricity generated by community wind energy fa-
9 cilities owned and operated by the taxpayer and located in areas of the
10 state outside of Pottawatomie, Riley, Shawnee, Wabaunsee, Geary, Mor-
11 ris, Lyon, Dickinson, Marion, Chase, Greenwood and Butler counties
12 within an area bounded on the north by U.S. highway 24, bounded on
13 the east by Kansas highways 99 and 4, bounded on the south by Kansas
14 highway 400 and bounded on the west by Kansas highway 77.

15 (c) The amount of the tax credit shall be \$.005 for each kilowatt-hour
16 of electricity generated by a community wind energy facility. Credits may
17 be claimed for electricity generated for a period not to exceed 10 years.

18 (d) If the credit allowed pursuant to this section exceeds the amount
19 of income taxes due or if there are no income taxes due on the income
20 of the taxpayer, the amount of the credit allowed but not used in any tax
21 year shall be refunded to the taxpayer.

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