

HOUSE BILL No. 2679

By Representatives Goico, Brunk and Siegfried

1-20

9 AN ACT concerning income taxation; relating to credits; commercial and
10 industrial machinery and equipment; amending K.S.A. 2005 Supp. 79-
11 32,206 and repealing the existing section.
12

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

14 Section 1. K.S.A. 2005 Supp. 79-32,206 is hereby amended to read
15 as follows: 79-32,206. *Except as otherwise provided*, for all taxable years
16 commencing after December 31, 2001, there shall be allowed as a credit
17 against the tax liability of a taxpayer imposed under the Kansas income
18 tax act, the premiums tax upon insurance companies imposed pursuant
19 to K.S.A. 40-252, and amendments thereto, and the privilege tax as meas-
20 ured by net income of financial institutions imposed pursuant to article
21 11 of chapter 79 of the Kansas Statutes Annotated, an amount equal to
22 15% of the property tax levied for property tax years 2002, 2003 and 2004,
23 20% of the property tax levied for property tax years 2005 and 2006, and
24 25% of the property tax levied for property tax year 2007, and all such
25 years thereafter, actually and timely paid during an income or privilege
26 taxable year upon commercial and industrial machinery and equipment
27 classified for property taxation purposes pursuant to section 1 of article
28 11 of the Kansas constitution in subclass (5) or (6) of class 2, machinery
29 and equipment classified for such purposes in subclass (2) of class 2. For
30 all taxable years commencing after December 31, 2004, there shall be
31 allowed as a credit against the tax liability of a taxpayer imposed under
32 the Kansas income tax act an amount equal to 20% of the property tax
33 levied for property tax years 2005 and 2006, and 25% of the property tax
34 levied for property tax year 2007 and all such years thereafter, actually
35 and timely paid during an income taxable year upon railroad machinery
36 and equipment classified for property tax purposes pursuant to section 1
37 of article 11 of the Kansas constitution in subclass (3) of class 2. *For all*
38 *taxable years commencing after December 31, 2006, there shall be allowed*
39 *as a credit against the tax liability of a taxpayer imposed under the Kansas*
40 *income tax act, the premiums tax upon insurance companies imposed*
41 *pursuant to K.S.A. 40-252, and amendments thereto, and the privilege tax*
42 *as measured by net income of financial institutions imposed pursuant to*
43 *article 11 of chapter 79 of the Kansas Statutes Annotated, an amount equal*

1 *to 100% of the property tax levied for property tax year 2007, and all*
2 *such years thereafter, actually and timely paid during an income or priv-*
3 *ilege taxable year upon commercial and industrial machinery and equip-*
4 *ment classified for property taxation purposes pursuant to section 1 of*
5 *article 11 of the constitution of the state of Kansas in subclass (5) of class*
6 *2 and railroad machinery and equipment classified for property taxation*
7 *purposes pursuant to section 1 of article 11 of the constitution of the state*
8 *of Kansas in subclass (3) of class 2, acquired by purchase or lease made*
9 *or entered into after January 1, 2006, or transported into this state after*
10 *January 1, 2006. If the amount of such tax credit exceeds the taxpayer's*
11 *income tax liability for the taxable year, the amount thereof which exceeds*
12 *such tax liability shall be refunded to the taxpayer. If the taxpayer is a*
13 *corporation having an election in effect under subchapter S of the federal*
14 *internal revenue code, a partnership or a limited liability company, the*
15 *credit provided by this section shall be claimed by the shareholders of*
16 *such corporation, the partners of such partnership or the members of*
17 *such limited liability company in the same manner as such shareholders,*
18 *partners or members account for their proportionate shares of the income*
19 *or loss of the corporation, partnership or limited liability company. The*
20 *secretary of revenue shall adopt rules and regulations regarding the filing*
21 *of documents that support the amount of credit claimed pursuant to this*
22 *section.*

23 Sec. 2. K.S.A. 2005 Supp. 79-32,206 is hereby repealed.

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