

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:35 p.m. on February 18, 2011, in Room 783 of the Docking State Office Building.

All members were present except:

- Representative Dillmore-excused
- Representative McCray-Miller-excused
- Representative Phelps-excused
- Representative Schwab-excused
- Representative Weber-excused

Committee staff present:

- Gordon Self, Office of the Revisor of Statutes
- Scott Wells, Office of the Revisor of Statutes
- Chris Courtwright, Kansas Legislative Research Department
- Michael Wales, Kansas Legislative Research Department
- Marla Morris, Committee Assistant
- Allen Jeffus, Office Assistant

There were no conferees appearing before the Committee.

Others attending:

See attached list.

Bill Introductions:

Representative O'Hara moved introduction of a bill to repeal the tax exemption given in 2006 to Trans Canada Pipeline also known as the Keystone Pipeline. The motion was seconded by Representative Kelley. The motion carried.

Representative Prescott moved to introduce a bill requested by the Education Committee for the Kansas Education Liberty Act. The motion was seconded by Representative Frownfelter. The motion carried.

Chairman Carlson directed the Committee to the Kansas Department of Revenue Report concerning M&E Slider Reimbursement (Attachment 1), and the Kansas Department of Commerce Summary of Rural Opportunity Zones (Attachment 2), placed in the daily packet.

Chairman Carlson opened discussion and action on:

HB 2331-Rural opportunity zones

Chris Courtwright, Kansas Legislative Research Department briefed the Committee on **HB 2331**. Secretary Nick Jordan, Kansas Department of Revenue, joined Mr. Courtwright for questions from the Committee.

Representative Kelley moved to pass out **HB 2331** favorable for passage. The motion was seconded by Representative Goico.

Gordon Self, Office of the Revisor of Statutes, explained a technical amendment to insert necessary wording into page 1, line 27; page 2, line 9; and deleting a word in page 2, line 12; and the wording contained in lines 13 and 14 on page 2 (Attachment 3).

Representative Kleeb moved the technical amendment. The motion was seconded by Representative Kelley, and the motion carried.

Representative Tyson moved an amendment to strike the counties in section B and add all counties with a population of 15,000 or less (Attachment 4). Representative Hayzlett seconded the motion. The motion failed.

Representative Brunk requested information pertaining to student loan qualifications. Staff was instructed, by Chairman Carlson, to determine if the student loan portion of the bill includes Junior

CONTINUATION SHEET

The minutes of the House Taxation Committee at 3:35 p.m. on February 18, 2011, in Room 783 of the Docking State Office Building.

Colleges and Technical Schools.

Representative Kleebl moved an amendment to include, in the bill, the five counties of Cloud, Commanche, Elk, Mitchell, and Wilson as proposed in his amendment (Attachment 5). The motion was seconded by Representative Hedke. The motion failed.

Representative Kelly closed on the motion to pass **HB 2317** favorable as amended. The motion carried.

The next meeting is scheduled for 3:30 p.m., February 21, 2011, in Room 783 of the Docking State Office Building for the purpose of discussion and action on **HB 2317**.

The meeting was adjourned at 4:50 p.m.

HOUSE TAXATION COMMITTEE

Date: February 18, 2011

[illegible]

MEMORANDUM

TO: Honorable Richard Carlson, Chairperson
House Committee on Taxation

FROM: Mark S. Beck, Director
Division of Property Valuation

DATE: February 9, 2011

RE: M&E Slider Reimbursement

As required by K.S.A. 2010 Supp. 79-2978 and 79-2979 the following is the Secretary of Revenue's report concerning the M&E slider reimbursements.

Brief History

In 2006 all commercial and industrial machinery and equipment and telecommunications and railroad machinery and equipment purchased, leased or transported into the state after June 30, 2006, was exempted from property taxes. See K.S.A. 2010 Supp. 79-223 and 79-224.

Also created were the business machinery and equipment tax reduction assistance fund and the telecommunications and railroad machinery and equipment tax reduction assistance fund to be administered by the state treasurer. All expenditures from these funds are for partial reimbursement to counties for any reduction in taxes levied on commercial and industrial M&E and telecommunications and railroad M&E. See K.S.A. 2010 Supp. 79-2978 and 79-2979. The original legislation required the payments to the county treasurers to be made on or before February 15th of each year. See HB 2583 – 2006 Kan. Sess. Laws, ch. 205 §§ 1-4.

IRB/EDX Amendment to the Slider

In 2007 K.S.A. 79-2978 and 79-2979 were amended to provide for the subtraction of taxes levied on commercial and industrial M&E and telecommunications and railroad M&E that was exempt as an industrial revenue bond exemption or an economic development exemption. See HB 2044 – 2007 Kan. Sess. Laws, ch. 152 §§ 2-3. Only exemptions which have expired after July 1st, 2006 qualify and are subtracted from the M&E taxes reported by the county for each year of the slider. The total adjustment for

2007 was \$1,943,835, \$5,682,977 for 2008, \$7,160,316 for 2009 and \$7,938,945 for 2010.

Calculation of Slider Reimbursements

The secretary of revenue on or before January 31st is to determine the amount each county is to receive as a reimbursement from the state. The calculation is based upon the difference between the amount of taxes levied on commercial and industrial M&E and telecommunications and railroad M&E for 2005 (base year) and the tax amount levied for 2007, 2008, 2009, 2010 and 2011, taking into consideration the adjustments for IRB and EDX exemptions. Pursuant to law, 90%, 70%, 50%, 30% and 10% of the respective year are used to calculate the final amount to be distributed to the counties.

Actual Reimbursements and Estimates for Future Reimbursements (\$ In Millions)

CALENDAR YEAR	FY PAYOUT	INITIAL ESTIMATE **	ACTUAL	APPROPRIATED
2007	2008	\$28.300	\$25.860	\$25.860
2008	2009	\$44.846	\$53.496	\$25.009
2009	2010	\$45.263	\$53.037	\$0
2010	2011	\$31.983	\$38.474	\$0
2011	2012	\$11.498		\$0

** Initial estimates were made prior to HB 2044.

Explanation of Appropriated Amounts

2009 House Substitute for Substitute for Senate Bill No. 23 moved the date for reimbursement in 2009 from February 15, 2009 to one-half on March 2, 2009 and one-half on June 1, 2009, subject to available funding. The bill also reduced the total amount to be reimbursed by 6.5% (93.5% of the total reimbursement). The bill was approved by Governor on February 17, 2009 and published in the Kansas Register on March 19, 2009. Pursuant to these amendments, one payment was made to the counties in March 2009 in the amount of \$25,009,406. There was no second half payment made in June 2009.

2009 Senate Substitute for House Bill No. 2354 and 2009 Senate Substitute for House Bill No. 2373 provided that no reimbursement shall be made during the fiscal year ending June 30, 2010. See L. 2009, ch. 124, §§ 142, 143, and L. 2009, ch. 144, §§ 84, 85.

2010 House Substitute for Senate Bill No. 572 provided that no reimbursement shall be made during the fiscal year ending June 30, 2011, and further that no reimbursement shall be made during the fiscal year ending June 30, 2012. See L. 2010, ch. 165, §§ 152, 153.

2011 M/E Tax Reimbursement

County	C&I M&E					RR M&E					Telecom M&E					Total 30% Reimbursement
	2005 Tax	2010 Tax	Difference	% Change	30%	2005 Tax	2010 Tax	Difference	% Change	30%	2005 Tax	2010 Tax	Difference	% Change	30%	
Allen	1,419,151	1,134,235	(284,916)	-20.1%	85,475	31,911	43,587	11,676	36.6%	-	303,592	346,129	42,537	14.0%	-	85,475
Anderson	189,248	102,491	(86,757)	-45.8%	26,027	62,041	86,901	24,860	40.1%	-	150,667	140,135	(10,532)	-7.0%	3,160	29,187
Atchison	1,476,124	1,009,866	(466,259)	-31.6%	139,878	68,471	97,568	29,097	42.5%	-	364,424	260,245	(104,179)	-28.6%	31,254	171,132
Barber	419,281	278,056	(141,225)	-33.7%	42,368	15,543	30,913	15,370	98.9%	-	711,828	429,961	(281,867)	-39.6%	84,560	126,928
Barton	2,159,648	1,103,084	(1,056,564)	-48.9%	316,969	1,877	1,510	(367)	-19.6%	110	571,622	328,392	(243,230)	-42.6%	72,969	390,048
Bourbon	1,100,816	662,944	(437,872)	-39.8%	131,362	39,233	57,673	18,440	47.0%	-	476,078	314,402	(161,676)	-34.0%	48,503	179,865
Brown	567,663	352,695	(214,967)	-37.9%	64,490	88,768	99,432	10,664	12.0%	-	425,483	252,439	(173,044)	-40.7%	51,913	116,403
Butler	2,970,240	1,426,389	(1,543,850)	-52.0%	463,155	206,836	261,286	54,450	26.3%	-	1,463,310	967,849	(495,461)	-33.9%	148,638	611,793
Chase	110,769	59,613	(51,156)	-46.2%	15,347	137,578	170,298	32,720	23.8%	-	200,877	129,004	(71,873)	-35.8%	21,562	36,909
Chautauqua	132,872	73,709	(59,163)	-44.5%	17,749	-	-	-	-	-	226,505	206,620	(19,885)	-8.8%	5,966	23,715
Cherokee	1,184,202	1,059,508	(124,695)	-10.5%	37,408	33,501	45,427	11,926	35.6%	-	597,754	425,590	(172,164)	-28.8%	51,649	89,057
Cheyenne	80,523	106,554	26,032	32.3%	-	524	1,991	1,467	280.0%	-	138,276	134,107	(4,169)	-3.0%	1,251	1,251
Clark	123,555	57,137	(66,418)	-53.8%	19,925	36,013	41,305	5,292	14.7%	-	229,577	126,968	(102,609)	-44.7%	30,783	50,708
Clay	291,663	170,091	(121,572)	-41.7%	36,472	8,425	11,018	2,593	30.8%	-	227,216	206,462	(20,754)	-9.1%	6,226	42,698
Cloud	480,107	276,859	(203,248)	-42.3%	60,974	38,068	42,757	4,689	12.3%	-	574,770	355,556	(219,214)	-38.1%	65,764	126,738
Coffey	257,012	164,080	(92,932)	-36.2%	27,880	32,055	45,687	13,632	42.5%	-	162,424	115,510	(46,914)	-28.9%	14,074	41,954
Comanche	72,142	60,440	(11,702)	-16.2%	3,511	-	-	-	-	-	141,505	136,651	(4,854)	-3.4%	1,456	4,967
Cowley	3,406,085	1,472,674	(1,933,411)	-56.8%	580,023	151,263	194,074	42,811	28.3%	-	799,007	665,487	(133,520)	-16.7%	40,056	620,079
Crawford	2,989,964	1,187,048	(1,802,916)	-60.3%	540,875	41,911	44,394	2,483	5.9%	-	865,018	598,734	(266,284)	-30.8%	79,885	620,760
Decatur	110,973	78,849	(32,124)	-28.9%	9,637	3,316	4,816	1,500	45.2%	-	173,051	146,945	(26,106)	-15.1%	7,832	17,469
Dickinson	682,090	679,132	(2,958)	-0.4%	887	150,748	194,550	43,802	29.1%	-	459,401	440,718	(18,683)	-4.1%	5,605	6,492
Doniphan	615,392	435,482	(179,911)	-29.2%	53,973	39,045	48,743	9,698	24.8%	-	88,806	73,962	(14,844)	-16.7%	4,453	58,426
Douglas	6,690,150	3,686,182	(3,003,968)	-44.9%	901,190	81,172	103,558	22,386	27.6%	-	1,216,937	734,350	(482,587)	-39.7%	144,776	1,045,966
Edwards	286,020	132,895	(153,125)	-53.5%	45,937	25,312	35,263	9,951	39.3%	-	165,652	100,472	(65,180)	-39.3%	19,554	65,491
Elk	162,804	201,581	38,777	23.8%	-	1,645	1,322	(323)	-19.6%	97	229,379	168,407	(60,972)	-26.6%	18,292	18,389
Ellis	1,448,812	937,361	(511,450)	-35.3%	153,435	41,040	52,427	11,387	27.7%	-	697,976	456,059	(241,917)	-34.7%	72,575	226,010
Ellsworth	330,298	204,602	(125,695)	-38.1%	37,709	64,240	67,800	3,560	5.5%	-	338,948	242,389	(96,559)	-28.5%	28,968	66,677
Finney	2,268,592	1,456,408	(812,184)	-35.8%	243,655	22,302	28,941	6,639	29.8%	-	497,369	342,158	(155,211)	-31.2%	46,563	290,218
Ford	3,543,189	2,133,660	(1,409,529)	-39.8%	422,859	121,329	162,840	41,511	34.2%	-	1,173,704	669,865	(503,839)	-42.9%	151,152	574,011
Franklin	1,102,294	983,667	(118,628)	-10.8%	35,588	94,453	116,051	21,598	22.9%	-	524,909	289,628	(235,281)	-44.8%	70,584	106,172
Geary	1,487,908	625,157	(862,751)	-58.0%	258,825	24,547	28,504	3,957	16.1%	-	340,562	244,787	(95,775)	-28.1%	28,733	287,558
Gove	142,004	96,071	(45,932)	-32.3%	13,780	50,530	66,022	15,492	30.7%	-	176,013	189,433	13,420	7.6%	-	13,780
Graham	86,147	60,471	(25,676)	-29.8%	7,703	-	-	-	-	-	192,695	262,030	69,335	36.0%	-	7,703
Grant	307,362	215,538	(91,824)	-29.9%	27,547	-	-	-	-	-	345,515	293,714	(51,801)	-15.0%	15,540	43,087
Gray	216,780	148,051	(68,729)	-31.7%	20,619	16,419	25,441	9,022	54.9%	-	326,748	199,116	(127,632)	-39.1%	38,290	58,909

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2011 M/E Tax Reimbursement

County	C&I M&E					RR M&E					Telecom M&E					Total 30% Reimbursement
	2005 Tax	2010 Tax	Difference	% Change	30%	2005 Tax	2010 Tax	Difference	% Change	30%	2005 Tax	2010 Tax	Difference	% Change	30%	
Greeley	62,243	50,897	(11,346)	-18.2%	3,404	409	368	(41)	-10.0%	12	93,124	91,485	(1,639)	-1.8%	492	3,908
Greenwood	260,455	147,672	(112,783)	-43.3%	33,835	-	-	-	-	-	419,509	292,813	(126,696)	-30.2%	38,009	71,844
Hamilton	86,419	58,433	(27,987)	-32.4%	8,396	21,179	37,873	16,694	78.8%	-	99,796	106,597	6,801	6.8%	-	8,396
Harper	374,442	258,862	(115,581)	-30.9%	34,674	31,537	80,496	48,959	155.2%	-	318,677	244,993	(73,684)	-23.1%	22,105	56,779
Harvey	1,848,530	982,428	(866,102)	-46.9%	259,831	150,329	180,601	30,272	20.1%	-	575,309	331,830	(243,479)	-42.3%	73,044	332,875
Haskell	129,065	165,054	35,989	27.9%	-	2,126	1,448	(678)	-31.9%	203	110,617	80,526	(30,091)	-27.2%	9,027	9,230
Hodgeman	65,852	50,474	(15,378)	-23.4%	4,614	92	85	(7)	-7.6%	2	93,955	76,873	(17,082)	-18.2%	5,125	9,741
Jackson	526,547	286,144	(240,403)	-45.7%	72,121	11,629	14,848	3,219	27.7%	-	310,250	186,675	(123,575)	-39.8%	37,073	109,194
Jefferson	647,888	476,305	(171,582)	-26.5%	51,475	59,288	68,151	8,863	14.9%	-	336,916	155,489	(181,427)	-53.8%	54,428	105,903
Jewell	73,952	37,151	(36,801)	-49.8%	11,040	16,604	21,392	4,788	28.8%	-	254,749	205,545	(49,204)	-19.3%	14,761	25,801
Johnson	54,198,729	24,205,143	(29,993,586)	-55.3%	8,998,076	375,223	460,659	85,436	22.8%	-	10,226,435	6,683,646	(3,542,789)	-34.6%	1,062,837	10,060,913
Kearny	128,360	111,219	(17,142)	-13.4%	5,143	12,435	21,036	8,601	69.2%	-	80,490	81,515	1,025	1.3%	-	5,143
Kingman	455,586	349,879	(105,707)	-23.2%	31,712	993	864	(129)	-13.0%	39	340,177	295,919	(44,258)	-13.0%	13,277	45,028
Kiowa	100,319	58,018	(42,301)	-42.2%	12,690	59,244	76,948	17,704	29.9%	-	217,743	273,815	56,072	25.8%	-	12,690
Labette	1,539,721	908,977	(630,744)	-41.0%	189,223	87,755	108,170	20,415	23.3%	-	879,128	559,794	(319,334)	-36.3%	95,800	285,023
Lane	107,849	67,327	(40,522)	-37.6%	12,157	644	500	(144)	-22.4%	43	105,938	75,487	(30,451)	-28.7%	9,135	21,335
Leavenworth	2,758,104	1,441,155	(1,316,949)	-47.7%	395,085	70,998	88,134	17,136	24.1%	-	1,010,546	631,270	(379,276)	-37.5%	113,783	508,868
Lincoln	193,108	121,784	(71,325)	-36.9%	21,397	501	442	(59)	-11.8%	18	233,799	206,599	(27,200)	-11.6%	8,160	29,575
Linn	322,719	212,053	(110,666)	-34.3%	33,200	37,408	55,557	18,149	48.5%	-	390,493	234,752	(155,741)	-39.9%	46,722	79,922
Logan	115,398	66,288	(49,109)	-42.6%	14,733	60,125	80,554	20,429	34.0%	-	186,193	137,999	(48,194)	-25.9%	14,458	29,191
Lyon	2,542,487	1,421,904	(1,120,583)	-44.1%	336,175	89,889	120,912	31,023	34.5%	-	807,245	497,676	(309,569)	-38.3%	92,871	429,046
Marion	497,152	260,479	(236,673)	-47.6%	71,002	204,187	264,235	60,048	29.4%	-	448,559	325,918	(122,641)	-27.3%	36,792	107,794
Marshall	921,890	626,364	(295,526)	-32.1%	88,658	166,723	174,064	7,341	4.4%	-	669,683	330,456	(339,227)	-50.7%	101,768	190,426
McPherson	4,082,335	2,689,011	(1,393,325)	-34.1%	417,997	97,731	112,356	14,625	15.0%	-	916,752	416,198	(500,554)	-54.6%	150,166	568,163
Meade	97,803	68,056	(29,747)	-30.4%	8,924	73,595	99,292	25,697	34.9%	-	204,949	146,113	(58,836)	-28.7%	17,651	26,575
Miami	1,104,786	530,862	(573,925)	-51.9%	172,177	137,378	184,718	47,340	34.5%	-	601,122	375,234	(225,888)	-37.6%	67,766	239,943
Mitchell	470,942	280,485	(190,456)	-40.4%	57,137	7,403	4,581	(2,822)	-38.1%	847	247,399	211,700	(35,699)	-14.4%	10,710	68,694
Montgomery	4,196,971	1,763,336	(2,433,635)	-58.0%	730,090	66,448	100,283	33,835	50.9%	-	903,285	625,672	(277,613)	-30.7%	83,284	813,374
Morris	244,699	140,892	(103,806)	-42.4%	31,142	62,683	77,178	14,495	23.1%	-	242,301	567,223	324,922	134.1%	-	31,142
Morton	171,587	125,178	(46,410)	-27.0%	13,923	-	-	-	-	-	119,268	128,436	9,168	7.7%	-	13,923
Nemaha	688,862	413,027	(275,836)	-40.0%	82,751	39,453	44,151	4,698	11.9%	-	296,930	175,288	(121,642)	-41.0%	36,493	119,244
Neosho	1,663,667	957,674	(705,994)	-42.4%	211,798	46,268	68,210	21,942	47.4%	-	487,946	360,980	(126,966)	-26.0%	38,090	249,888
Ness	91,979	49,436	(42,543)	-46.3%	12,763	898	757	(141)	-15.7%	42	182,421	98,422	(83,999)	-46.0%	25,200	38,005
Norton	282,170	159,509	(122,661)	-43.5%	36,798	4,527	5,030	503	11.1%	-	469,235	412,530	(56,705)	-12.1%	17,012	53,810
Osage	465,395	224,903	(240,492)	-51.7%	72,148	81,329	107,750	26,421	32.5%	-	337,152	204,888	(132,264)	-39.2%	39,679	111,827

2011 M/E Tax Reimbursement

County	C&I M&E					RR M&E					Telecom M&E					Total 30% Reimbursement
	2005 Tax	2010 Tax	Difference	% Change	30%	2005 Tax	2010 Tax	Difference	% Change	30%	2005 Tax	2010 Tax	Difference	% Change	30%	
Osborne	231,065	126,729	(104,336)	-45.2%	31,301	6,490	3,693	(2,797)	-43.1%	839	157,106	225,421	68,315	43.5%	-	32,140
Ottawa	169,708	96,233	(73,475)	-43.3%	22,043	6,727	7,476	749	11.1%	-	294,852	276,589	(18,263)	-6.2%	5,479	27,522
Pawnee	207,664	102,996	(104,668)	-50.4%	31,400	681	617	(64)	-9.4%	19	245,250	167,155	(78,095)	-31.8%	23,429	54,848
Phillips	368,210	427,171	58,960	16.0%	-	5,984	8,078	2,094	35.0%	-	275,922	304,157	28,235	10.2%	-	-
Pottawatomie	1,150,296	816,993	(333,303)	-29.0%	99,991	62,508	78,423	15,915	25.5%	-	418,798	261,059	(157,739)	-37.7%	47,322	147,313
Pratt	720,319	450,167	(270,152)	-37.5%	81,045	96,938	118,674	21,736	22.4%	-	473,830	349,293	(124,537)	-26.3%	37,361	118,406
Rawlins	79,793	55,580	(24,213)	-30.3%	7,264	1,299	3,448	2,149	165.4%	-	252,073	178,425	(73,648)	-29.2%	22,094	29,358
Reno	5,757,564	3,519,831	(2,237,733)	-38.9%	671,320	196,666	255,310	58,644	29.8%	-	1,320,043	772,607	(547,436)	-41.5%	164,231	835,551
Republic	223,570	142,956	(80,613)	-36.1%	24,184	27,396	20,775	(6,621)	-24.2%	1,986	292,929	204,938	(87,991)	-30.0%	26,397	52,567
Rice	608,783	344,828	(263,956)	-43.4%	79,187	1,287	999	(288)	-22.4%	86	355,232	185,747	(169,485)	-47.7%	50,846	130,119
Riley	1,984,898	1,117,834	(867,063)	-43.7%	260,119	18,875	22,621	3,746	19.8%	-	635,160	444,166	(190,994)	-30.1%	57,298	317,417
Rooks	193,175	125,973	(67,202)	-34.8%	20,161	2,306	1,127	(1,179)	-51.1%	354	257,364	241,734	(15,630)	-6.1%	4,689	25,204
Rush	304,708	340,474	35,766	11.7%	-	892	765	(127)	-14.2%	38	393,400	231,033	(162,367)	-41.3%	48,710	48,748
Russell	464,310	194,713	(269,596)	-58.1%	80,879	73,773	79,502	5,729	7.8%	-	229,076	306,371	77,295	33.7%	-	80,879
Saline	5,363,289	3,235,590	(2,127,699)	-39.7%	638,310	69,027	92,688	23,661	34.3%	-	821,262	543,200	(278,062)	-33.9%	83,419	721,729
Scott	170,665	142,699	(27,966)	-16.4%	8,390	1,731	1,857	126	7.3%	-	203,988	165,633	(38,355)	-18.8%	11,507	19,897
Sedgwick	41,596,428	27,778,353	(13,818,074)	-33.2%	4,145,422	206,213	246,626	40,413	19.6%	-	8,032,375	4,464,088	(3,568,287)	-44.4%	1,070,486	5,215,908
Seward	1,451,093	842,989	(608,105)	-41.9%	182,431	56,323	76,845	20,522	36.4%	-	320,530	215,252	(105,278)	-32.8%	31,583	214,014
Shawnee	17,488,053	8,218,991	(9,269,062)	-53.0%	2,780,719	1,391,538	1,244,602	(146,936)	-10.6%	44,081	4,395,257	2,172,675	(2,222,582)	-50.6%	666,775	3,491,575
Sheridan	80,316	58,994	(21,321)	-26.5%	6,396	1,300	845	(455)	-35.0%	137	121,582	117,192	(4,390)	-3.6%	1,317	7,850
Sherman	388,843	385,053	(3,790)	-1.0%	1,137	3,233	2,084	(1,149)	-35.5%	345	442,654	331,885	(110,769)	-25.0%	33,231	34,713
Smith	164,454	106,242	(58,212)	-35.4%	17,464	4,375	2,889	(1,486)	-34.0%	446	270,590	281,598	11,008	4.1%	-	17,910
Stafford	140,154	69,911	(70,243)	-50.1%	21,073	28,001	34,287	6,286	22.4%	-	268,741	109,360	(159,381)	-59.3%	47,814	68,887
Stanton	73,094	62,334	(10,760)	-14.7%	3,228	-	-	-	-	-	67,589	81,450	13,861	20.5%	-	3,228
Stevens	214,327	112,531	(101,796)	-47.5%	30,539	-	-	-	-	-	107,459	100,491	(6,968)	-6.5%	2,090	32,629
Sumner	1,721,475	991,399	(730,075)	-42.4%	219,023	198,065	270,206	72,141	36.4%	-	1,119,838	948,078	(171,760)	-15.3%	51,528	270,551
Thomas	622,783	361,311	(261,472)	-42.0%	78,442	42,228	47,355	5,127	12.1%	-	820,727	628,710	(192,017)	-23.4%	57,605	136,047
Trego	128,958	61,569	(67,389)	-52.3%	20,217	57,314	71,724	14,410	25.1%	-	190,051	268,613	78,562	41.3%	-	20,217
Wabaunsee	373,308	180,769	(192,538)	-51.6%	57,761	88,773	121,768	32,995	37.2%	-	233,125	162,277	(70,848)	-30.4%	21,254	79,015
Wallace	46,793	43,304	(3,489)	-7.5%	1,047	47,583	80,431	32,848	69.0%	-	46,866	58,459	11,593	24.7%	-	1,047
Washington	166,209	132,606	(33,603)	-20.2%	10,081	55,889	73,086	17,197	30.8%	-	389,294	270,216	(119,078)	-30.6%	35,723	45,804
Wichita	198,335	147,105	(51,230)	-25.8%	15,369	371	324	(47)	-12.7%	14	71,925	67,354	(4,571)	-6.4%	1,371	16,754
Wilson	842,626	400,878	(441,748)	-52.4%	132,524	56,293	62,860	6,567	11.7%	-	258,392	138,494	(119,898)	-46.4%	35,969	168,493
Woodson	126,734	84,254	(42,479)	-33.5%	12,744	46,572	59,445	12,873	27.6%	-	215,419	122,549	(92,870)	-43.1%	27,861	40,605
Wyandotte	29,902,930	14,905,730	(14,997,200)	-50.2%	4,499,160	510,468	658,920	148,452	29.1%	-	2,990,196	1,860,031	(1,130,165)	-37.8%	339,050	4,838,210
Totals					31,669,888					49,758					6,754,743	38,474,389
Count					100					21					90	104

M/E Tax Reimbursement Comparison

County	C&I M&E				RR M&E				Telecom M&E				Total Reimbursement			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Allen	-	-	115,404	85,475	-	-	-	-	-	-	-	-	-	-	115,404	85,475
Anderson	-	-	39,729	26,027	-	-	-	-	-	-	4,806	3,160	-	-	44,535	29,187
Atchison	48,370	114,132	161,905	139,878	-	-	-	-	22,534	44,558	40,879	31,254	70,904	158,690	202,784	171,132
Barber	28,300	62,034	53,524	42,368	-	-	-	-	39,909	116,273	127,212	84,560	68,209	178,307	180,736	126,928
Barton	156,901	297,005	332,708	316,969	82	151	150	110	48,582	102,832	99,515	72,969	205,565	399,988	432,373	390,048
Bourbon	36,187	184,593	184,845	131,362	-	-	-	-	48,562	77,425	68,480	48,503	84,749	262,018	253,325	179,865
Brown	-	60,542	69,547	64,490	-	-	-	-	16,577	55,626	62,769	51,913	16,577	116,168	132,316	116,403
Butler	223,308	598,260	612,263	463,155	-	-	-	-	210,706	265,875	231,962	148,638	434,014	864,135	844,225	611,793
Chase	12,388	15,779	20,837	15,347	-	-	-	-	29,319	40,272	35,768	21,562	41,707	56,051	56,605	36,909
Chautauqua	17,474	31,270	20,583	17,749	-	-	-	-	19,946	23,043	9,178	5,966	37,420	54,313	29,761	23,715
Cherokee	-	48,250	93,477	37,408	-	-	-	-	-	-	21,151	51,649	-	48,250	114,628	89,057
Cheyenne	8,020	7,472	-	-	90	-	-	-	6,722	19,244	18,770	1,251	14,832	26,716	18,770	1,251
Clark	28,582	27,654	30,497	19,925	-	-	-	-	10,506	36,441	41,360	30,783	39,088	64,095	71,857	50,708
Clay	36,438	35,424	37,854	36,472	-	-	-	-	-	-	15,596	6,226	36,438	35,424	53,450	42,698
Cloud	78,234	75,260	88,549	60,974	-	-	-	-	-	62,894	94,603	65,764	78,234	138,154	183,152	126,738
Coffey	20,899	18,325	32,314	27,880	-	-	-	-	7,297	14,300	20,733	14,074	28,196	32,625	53,047	41,954
Comanche	-	-	5,513	3,511	-	-	-	-	-	8,699	9,298	1,456	-	8,699	14,811	4,967
Cowley	-	595,749	603,084	580,023	-	-	-	-	47,615	86,384	78,209	40,056	47,615	682,133	681,293	620,079
Crawford	313,630	779,957	795,003	540,875	-	-	-	-	38,921	102,696	82,283	79,885	352,551	882,653	877,286	620,760
Decatur	3,522	12,859	8,886	9,637	323	859	-	-	-	10,937	11,877	7,832	3,845	24,655	20,763	17,469
Dickinson	-	-	-	887	-	-	-	-	68,145	63,335	24,061	5,605	68,145	63,335	24,061	6,492
Doniphan	56,593	65,470	65,174	53,973	-	-	-	-	-	595	3,800	4,453	56,593	66,065	68,974	58,426
Douglas	554,241	1,374,693	1,285,560	901,190	-	-	-	-	15,211	151,262	163,463	144,776	569,452	1,525,955	1,449,023	1,045,966
Edwards	14,088	75,972	71,197	45,937	-	-	-	-	19,057	27,915	28,228	19,554	33,145	103,887	99,425	65,491
Elk	-	-	-	-	-	-	56	97	35,064	31,090	34,549	18,292	35,064	31,090	34,605	18,389
Ellis	9,351	86,106	211,988	153,435	-	-	-	-	-	14,076	79,896	72,575	9,351	100,182	291,884	226,010
Ellsworth	-	19,800	48,412	37,709	-	-	-	-	15,478	37,654	35,800	28,968	15,478	57,454	84,212	66,677
Finney	388,406	442,070	370,589	243,655	-	-	-	-	39,343	84,466	67,835	46,563	427,749	526,536	438,424	290,218
Ford	215,740	491,088	588,746	422,859	-	-	-	-	61,542	175,809	190,865	151,152	277,282	666,897	779,611	574,011
Franklin	-	-	-	35,588	-	-	-	-	71,256	106,339	104,683	70,584	71,256	106,339	104,683	106,172
Geary	299,863	347,726	395,470	258,825	-	-	-	-	1,345	40,053	37,883	28,733	301,208	387,779	433,353	287,558
Gove	-	10,390	17,829	13,780	-	-	-	-	-	-	-	-	-	10,390	17,829	13,780
Graham	-	-	4,189	7,703	-	-	-	-	-	-	-	-	-	-	4,189	7,703
Grant	-	9,324	32,083	27,547	-	-	-	-	-	-	20,505	15,540	-	9,324	52,588	43,087
Gray	13,491	18,974	29,272	20,619	-	-	-	-	-	-	31,553	38,290	13,491	18,974	60,825	58,909

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M/E Tax Reimbursement Comparison

County	C&I M&E				RR M&E				Telecom M&E				Total Reimbursement			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Greeley	1,412	6,191	-	3,404	28	26	28	12	-	-	-	492	1,440	6,217	28	3,908
Greenwood	33,595	50,606	50,420	33,835	-	-	-	-	-	57,814	57,664	38,009	33,595	108,420	108,084	71,844
Hamilton	7,983	-	4,480	8,396	-	-	-	-	-	-	-	-	7,983	-	4,480	8,396
Harper	-	47,394	43,277	34,674	-	-	-	-	38,712	66,077	45,789	22,105	38,712	113,471	89,066	56,779
Harvey	295,749	388,375	404,921	259,831	-	-	-	-	71,317	115,305	108,641	73,044	367,066	503,680	513,562	332,875
Haskell	3,986	11,258	-	-	486	458	275	203	5,528	9,665	11,797	9,027	10,000	21,381	12,072	9,230
Hodgeman	-	3,195	11,578	4,614	1	1	1	2	-	-	-	5,125	1	3,196	11,579	9,741
Jackson	9,476	85,629	115,495	72,121	-	-	-	-	26,194	43,114	56,841	37,073	35,670	128,743	172,336	109,194
Jefferson	-	-	67,233	51,475	-	-	-	-	38,494	71,446	81,635	54,428	38,494	71,446	148,868	105,903
Jewell	8,092	8,719	12,713	11,040	-	-	-	-	43,116	26,105	16,751	14,761	51,208	34,824	29,464	25,801
Johnson	3,260,154	10,909,090	11,434,420	8,998,076	-	-	-	-	862,593	1,814,089	1,520,373	1,062,837	4,122,747	12,723,179	12,954,793	10,060,913
Kearny	13,532	11,371	12,070	5,143	-	-	-	-	-	-	-	-	13,532	11,371	12,070	5,143
Kingman	45,512	72,785	31,764	31,712	84	90	80	39	-	29,778	27,506	13,277	45,596	102,653	59,350	45,028
Kiowa	15,291	33,422	27,962	12,690	-	-	-	-	-	-	-	-	15,291	33,422	27,962	12,690
Labette	176,911	227,497	235,720	189,223	-	-	-	-	46,259	135,694	113,491	95,800	223,170	363,191	349,211	285,023
Lane	9,778	24,603	20,909	12,157	-	-	55	43	-	11,715	6,077	9,135	9,778	36,318	27,041	21,335
Leavenworth	514,324	643,172	545,192	395,085	-	-	-	-	133,887	189,921	162,992	113,783	648,211	833,093	708,184	508,868
Lincoln	15,674	24,172	29,806	21,397	35	30	25	18	3,062	20,063	19,079	8,160	18,771	44,265	48,910	29,575
Linn	7,972	-	23,185	33,200	-	-	-	-	-	15,063	46,897	46,722	7,972	15,063	70,082	79,922
Logan	-	8,203	15,901	14,733	-	-	-	-	-	15,777	12,407	14,458	-	23,980	28,308	29,191
Lyon	236,633	480,257	908,584	336,175	-	-	-	-	116,445	180,712	140,543	92,871	353,078	660,969	1,049,127	429,046
Marion	103,604	118,828	110,283	71,002	-	-	-	-	40,305	65,939	57,668	36,792	143,909	184,767	167,951	107,794
Marshall	54,216	86,391	110,497	88,658	-	-	-	-	107,581	198,230	152,778	101,768	161,797	284,621	263,275	190,426
McPherson	-	257,996	512,085	417,997	-	-	-	-	198,000	255,991	217,333	150,166	198,000	513,987	729,418	568,163
Meade	-	14,679	12,061	8,924	-	-	-	-	6,122	35,624	31,325	17,651	6,122	50,303	43,386	26,575
Miami	66,676	220,059	230,018	172,177	-	-	-	-	86,844	102,387	93,527	67,766	153,520	322,446	323,545	239,943
Mitchell	10,132	62,578	70,626	57,137	1,110	886	56	847	-	17,567	21,612	10,710	11,242	81,031	92,294	68,694
Montgomery	961,975	1,252,462	1,053,998	730,090	-	-	-	-	36,304	151,983	102,207	83,284	998,279	1,404,445	1,156,205	813,374
Morris	43,011	30,833	24,345	31,142	-	-	-	-	-	-	-	-	43,011	30,833	24,345	31,142
Morton	859	14,619	25,572	13,923	-	-	-	-	-	-	-	-	859	14,619	25,572	13,923
Nemaha	80,536	112,292	108,026	82,751	-	-	-	-	35,195	62,058	49,045	36,493	115,731	174,350	157,071	119,244
Neosho	151,306	337,845	340,326	211,798	-	-	-	-	4,177	85,132	74,887	38,090	155,483	422,977	415,213	249,888
Ness	-	-	2,192	12,763	48	102	50	42	-	16,769	21,275	25,200	48	16,871	23,517	38,005
Norton	11,226	44,731	44,108	36,798	765	1,125	-	-	-	-	12,815	17,012	11,991	45,856	56,923	53,810
Osage	56,833	119,927	59,226	72,148	-	-	-	-	45,401	63,078	61,947	39,679	102,234	183,005	121,173	111,827

M/E Tax Reimbursement Comparison

County	C&I M&E				RR M&E				Telecom M&E				Total Reimbursement			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Osborne	52,854	53,660	44,175	31,301	1,289	992	206	839	-	-	-	-	54,143	54,652	44,381	32,140
Ottawa	9,820	28,910	31,285	22,043	-	-	-	-	-	4,373	24,159	5,479	9,820	33,283	55,444	27,522
Pawnee	42,944	48,847	47,704	31,400	29	29	30	19	6,840	28,075	30,055	23,429	49,813	76,951	77,789	54,848
Phillips	-	-	9,201	-	723	-	-	-	-	-	-	-	723	-	9,201	-
Pottawatomie	-	65,253	122,572	99,991	-	-	-	-	-	50,246	68,005	47,322	-	115,499	190,577	147,313
Pratt	-	26,591	95,951	81,045	-	-	-	-	-	41,182	55,500	37,361	-	67,773	151,451	118,406
Rawlins	-	4,936	8,348	7,264	301	-	-	-	26,977	50,420	40,701	22,094	27,278	55,356	49,049	29,358
Reno	576,662	933,813	1,099,884	671,320	-	-	-	-	145,393	238,746	226,287	164,231	722,055	1,172,559	1,326,171	835,551
Republic	17,617	31,041	34,569	24,184	6,598	4,465	3,121	1,986	67,154	58,598	40,869	26,397	91,369	94,104	78,559	52,567
Rice	126,153	143,521	115,117	79,187	176	179	133	86	50,908	73,457	73,301	50,846	177,237	217,157	188,551	130,119
Riley	208,026	380,369	363,722	260,119	-	-	-	-	-	91,867	88,475	57,298	208,026	472,236	452,197	317,417
Rooks	-	-	17,652	20,161	727	615	188	354	-	-	-	4,689	727	615	17,840	25,204
Rush	-	-	-	-	53	48	55	38	21,246	32,600	51,127	48,710	21,299	32,648	51,182	48,748
Russell	-	129,411	110,463	80,879	736	929	-	-	-	-	-	-	736	130,340	110,463	80,879
Saline	503,192	895,877	838,451	638,310	-	-	-	-	47,282	113,439	111,852	83,419	550,474	1,009,316	950,303	721,729
Scott	16,452	25,507	-	8,390	365	214	97	-	6,781	24,692	21,675	11,507	23,598	50,413	21,772	19,897
Sedgwick	2,003,015	5,935,575	5,563,014	4,145,422	-	-	-	-	1,060,403	1,707,817	1,562,576	1,070,486	3,063,418	7,643,392	7,125,590	5,215,908
Seward	186,120	291,709	331,931	182,431	-	-	-	-	33,064	62,979	54,338	31,583	219,184	354,688	386,269	214,014
Shawnee	1,886,895	3,904,290	3,888,267	2,780,719	-	127,800	96,621	44,081	735,308	1,077,474	933,720	666,775	2,622,203	5,109,564	4,918,608	3,491,575
Sheridan	-	3,204	5,700	6,396	209	186	-	137	-	-	-	1,317	209	3,390	5,700	7,850
Sherman	-	-	-	1,137	120	220	96	345	23,180	69,077	56,848	33,231	23,300	69,297	56,944	34,713
Smith	11,151	16,716	22,587	17,464	723	466	-	446	-	-	-	-	11,874	17,182	22,587	17,910
Stafford	-	8,014	26,756	21,073	-	-	-	-	56,843	79,923	69,215	47,814	56,843	87,937	95,971	68,887
Stanton	-	1,200	2,311	3,228	-	-	-	-	-	-	-	-	-	1,200	2,311	3,228
Stevens	64,656	66,997	47,723	30,539	-	-	-	-	-	-	2,842	2,090	64,656	66,997	50,565	32,629
Sumner	445,624	387,418	338,845	219,023	-	-	-	-	45,294	97,470	82,126	51,528	490,918	484,888	420,971	270,551
Thomas	-	53,763	91,207	78,442	-	-	-	-	43,788	95,983	72,410	57,605	43,788	149,746	163,617	136,047
Trego	2,929	22,755	28,908	20,217	-	-	-	-	-	-	-	-	2,929	22,755	28,908	20,217
Wabaunsee	-	39,530	80,821	57,761	-	-	-	-	14,730	28,331	36,149	21,254	14,730	67,861	116,970	79,015
Wallace	-	-	-	1,047	-	-	-	-	-	-	-	-	-	-	-	1,047
Washington	26,588	31,861	28,917	10,081	-	-	-	-	20,534	65,736	62,639	35,723	47,122	97,597	91,556	45,804
Wichita	-	15,124	11,395	15,369	-	11	8	14	-	-	-	1,371	-	15,135	11,403	16,754
Wilson	161,111	198,561	202,367	132,524	-	-	-	-	36,932	55,937	59,654	35,969	198,043	254,498	262,021	168,493
Woodson	20,033	29,089	19,422	12,744	-	-	-	-	26,920	51,492	47,126	27,861	46,953	80,581	66,548	40,605
Wyandotte	5,202,176	7,480,895	6,578,228	4,499,160	-	-	-	-	232,016	629,277	508,035	339,050	5,434,192	8,110,172	7,086,263	4,838,210
Totals	20,324,493	42,869,794	43,333,515	31,669,888	15,101	139,882	101,331	49,758	5,520,766	10,486,380	9,602,156	6,754,743	25,860,360	53,496,056	53,037,002	38,474,389
Count	70	89	95	100	24	23	20	21	62	78	85	90	92	99	104	104

IRB/EDX Report
(Expiring After July 1, 2006)

County	2007	2008	2009	2010	County	2007	2008	2009	2010
Allen		86,433	380,343	354,477	Lyon	94,403	236,691	1,219,257	478,727
Anderson					Marion			13,061	17,940
Atchison			5,001	4,229	Marshall				
Barber					McPherson		51,837	132,884	184,396
Barton		2,538	2,548	105,539	Meade				
Bourbon					Miami				
Brown		2,434	2,538	2,538	Mitchell				
Butler			1,367	2,369	Montgomery	95,937	178,673	197,968	359,436
Chase					Morris				5,754
Chautauqua					Morton				
Cherokee					Nemaha				4,099
Cheyenne					Neosho				21,079
Clark					Ness				
Clay					Norton				
Cloud	26,879	26,726	26,452	26,245	Osage				
Coffey					Osborne				
Comanche					Ottawa		4,043	390	359
Cowley		230,157	292,491	286,337	Pawnee				
Crawford	115,353	443,641	112,254	91,215	Phillips				
Decatur					Pottawatomie				
Dickinson					Pratt				
Doniphan					Rawlins				
Douglas	9,159	9,358	9,393	8,927	Reno	37,155	59,531	118,043	144,371
Edwards					Republic				
Elk		6,261	2,915	3,329	Rice	21,561	22,207		
Ellis			142,264	53,695	Riley				
Ellsworth					Rooks				
Finney		1,888	1,982	2,049	Rush				
Ford			61,944	135,726	Russell		86		
Franklin					Saline	2,025	6,446	49,734	53,990
Geary			47,392	44,341	Scott				
Gove					Sedgwick	1,039,548	3,304,575	2,280,437	3,218,366
Graham					Seward				
Grant					Shawnee	142,919	212,679	320,140	335,735
Gray					Sheridan				
Greeley					Sherman				
Greenwood					Smith				883
Hamilton					Stafford				
Harper			8,553		Stanton				
Harvey	7,046	7,046	89,301	29,562	Stevens				
Haskell					Sumner			27,289	18,313
Hodgeman					Thomas			7,341	15,169
Jackson					Trego				
Jefferson			3,222	3,237	Wabaunsee				11,063
Jewell					Wallace				
Johnson	187,206	230,147	273,779	579,953	Washington				
Kearny					Wichita				
Kingman					Wilson			11,827	13,215
Kiowa				216	Woodson				
Labette		104	19,777	18,574	Wyandotte	164,642	559,478	1,298,428	1,303,493
Lane					Total	1,943,835	5,682,977	7,160,316	7,938,945
Leavenworth					Count	13	23	32	37
Lincoln									
Linn									
Logan									



Summary of Rural Opportunity Zones (House Bill 2331)

- Many rural areas in states like Kansas have experienced dramatic de-population over the past decades. The Brownback Administration wants to focus on promoting prosperity in the rural regions of Kansas. Proposals in this area act as a complement to the broader economic development policies.
- Research into rural population and economic development has shown:
 - Counties that have a higher share of income from farm sources grow more slowly. Higher farm incomes mean slower nonfarm population and income growth. Counties with a higher share of farm income derived from farm support payments also grow more slowly. In other words, a diversified economic base works best.
 - Businesses that form in rural areas tend to have longer life spans than businesses that start in urban areas.
 - Rural economic development works best with a region-specific focus—in this case, Kansas counties that have experienced population declines of 10 percent or more.
 - For the economic development policies proposed by the Brownback Administration, a rural area is defined as an incorporated community of less than 10,000.
- The proposed program specifics:
 - Offer an income tax rebate for five years to residents who move from outside Kansas into a Rural Opportunity Zone (defined by counties that have lost at least 10 percent of their population over the past 10 years).
 - Offer state-county partnerships to pay down student loans of residents who move to a Rural Opportunity Zone.
- Monitoring program effectiveness:
 - The Governor's Council on Economic Advisors will monitor program effectiveness through established return-on-investment metrics.
 - The fiscal impact on the state will be minimal, as most incentives will be targeted to new individuals and businesses moving from out of state.

KDOR

Session of 2011

SENATE BILL No. 198

By Committee on Assessment and Taxation

2-11

1 AN ACT concerning economic development; creating rural opportunity
2 zones; relating to income taxation, credit for certain taxpayers, amount
3 and requirements; student loan repayment program.
4

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

6 Section 1. ☐ As used in sections 1 through 3, and amendments thereto:

7 (a) ☐ "Institution of higher education" means a public or private
8 nonprofit educational institution that meets the requirements of
9 participation in programs under the higher education act of 1965, as
10 amended, 34 C.F.R. 600;

11 (b) ☐ "rural opportunity zone" means Barber, Chautauqua, Cheyenne,
12 Clark, Decatur, Edwards, Gove, Graham, Greeley, Greenwood, Harper,
13 Jewell, Kingman, Kiowa, Lane, Lincoln, Logan, Marion, Morton, Ness,
14 Norton, Osborne, Pawnee, Phillips, Rawlins, Republic, Rooks, Rush,
15 Russell, Scott, Sheridan, Sherman, Smith, Stanton, Trego, Thomas,
16 Wallace, Washington, Wichita or Woodson counties;

17 (c) ☐ "secretary" means the secretary of commerce; and

18 (d) ☐ "student loan" means a federal student loan program supported by
19 the federal government and a nonfederal loan issued by a lender such as a
20 bank, savings and loan or credit union to help students and parents pay
21 school expenses for attendance at an institution of higher education.

22 Sec. 2. ☐ (a) ☐ For taxable years commencing after December 31, 2011,
23 and before January 1, 2017, there shall be allowed as a credit against the
24 tax liability of a resident individual taxpayer an amount equal to the
25 resident individual's income tax liability under the provisions of the
26 Kansas income tax act, when the resident individual:

27 (1) ☐ Was domiciled outside this state for five or more years
28 immediately prior to establishing their domicile in a rural opportunity
29 zone in this state;

30 (2) ☐ Had no Kansas source income for five or more years immediately
31 prior to establishing their domicile in a rural opportunity zone in this
32 state; and

33 (3) ☐ Was domiciled in a rural opportunity zone during the entire
34 taxable year for which such credit is claimed.

35 (b) ☐ A resident individual may claim the credit authorized by this
36 section for not more than five consecutive years following establishment

Establishes domicile in a rural opportunity zone on or after July 1, 2011 and prior to January 1, 2016 and

House Taxation

Date: 2-18-11

Attachment: 3

1 of their domicile in a rural opportunity zone.

2 (c) ☐ The maximum amount of any refund under this section shall be
3 equal to the amount withheld from the resident individual's wages or
4 payments other than wages pursuant to K.S.A. 79-3294 et seq., and
5 amendments thereto, or paid by the resident individual as estimated taxes
6 pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.

7 (d) ☐ No credit shall be allowed under this section if:

8 (1) ☐ The resident individual's income tax return on which the credit is
9 claimed is not timely filed, including any extension; _____ or

10 (2) ☐ the resident individual is delinquent in filing any return with, or
11 paying any tax due to, the state of Kansas or any political subdivision
12 thereof; ~~or~~

13 ~~(3) ☐ the resident individual does not establish such individual's~~
14 ~~domicile in a rural opportunity zone prior to January 1, 2016.~~

15 (a) ☐ This section shall be part of and supplemental to the Kansas
16 income tax act.

17 Sec. 3. ☐ (a) ☐ Any county that has been designated a rural opportunity
18 zone pursuant to section 1, and amendments thereto, may participate in
19 the program provided in this section by authorizing such participation by
20 the county commission of such county through a duly enacted written
21 resolution. Such county shall provide a certified copy of such resolution
22 to the secretary of commerce on or before January 1, 2012, for calendar
23 year 2012, or on or before January 1 for each calendar year thereafter, in
24 which a county chooses to participate. Such resolution shall obligate the
25 county to participate in the program provided by this section for a period
26 of five years, and shall be irrevocable. Such resolution shall specify the
27 maximum amount of outstanding student loan balance for each resident
28 individual to be repaid as provided in subsection (b), except the
29 maximum amount of such balance shall be \$15,000.

30 (b) ☐ If a county submits a resolution as provided in subsection (a),
31 under the program provided in this section, subject to subsection (d), the
32 state of Kansas and such county which chooses to participate as provided
33 in subsection (a), shall agree to pay in equal shares the outstanding
34 student loan balance of any resident individual who qualifies to have such
35 individual's student loans repaid under the provisions of subsection (c)
36 over a five-year period, except that the maximum amount of such balance
37 shall be \$15,000. The amount of such repayment shall be equal to 20% of
38 the outstanding student loan balance of the individual in a year over the
39 five-year repayment period. The state of Kansas is not obligated to pay
40 the student loan balance of any resident individual who qualifies pursuant
41 to subsection (c) prior to the county submitting a resolution to the
42 secretary pursuant to subsection (a). Each such county shall certify to the
43 secretary that such county has made the payment required by this

County Name	2009 Estimate
Greeley County	1,234
Wallace County	1,408
Lane County	1,742
Comanche County	1,873
Hodgeman County	1,906
Clark County	2,081
Stanton County	2,107
Wichita County	2,109
Kiowa County	2,322
Rawlins County	2,425
Sheridan County	2,435
Graham County	2,435
Gove County	2,480
Logan County	2,549
Hamilton County	2,625
Cheyenne County	2,700
Chase County	2,798
Ness County	2,835
Decatur County	2,855
Trego County	2,920
Elk County	3,001
Morton County	3,031
Jewell County	3,059
Edwards County	3,071
Lincoln County	3,123
Rush County	3,143
Woodson County	3,240
Chautauqua County	3,745
Smith County	3,753
Osborne County	3,849
Haskell County	4,006
Kearny County	4,169
Stafford County	4,342
Meade County	4,407
Scott County	4,560
Barber County	4,593
Republic County	4,808
Rooks County	4,984
Stevens County	5,129
Phillips County	5,272
Norton County	5,330
Harper County	5,667
Washington County	5,683
Sherman County	5,860
Ottawa County	5,974
Morris County	5,994
Gray County	6,005
Ellsworth County	6,179
Pawnee County	6,206
Mitchell County	6,344
Russell County	6,596
Greenwood County	6,666
Wabaunsee County	6,846
Thomas County	7,343

Grant County	7,353
Kingman County	7,571
Doniphan County	7,624
Anderson County	7,872
Coffey County	8,436
Clay County	8,704
Cloud County	9,263
Pratt County	9,304
Linn County	9,335
Wilson County	9,474
Brown County	9,927
Nemaha County	9,968
Rice County	10,079
Marshall County	10,123
Marion County	11,982
Allen County	13,203
Jackson County	13,412
Bourbon County	14,884
Neosho County	16,046
Osage County	16,104
Atchison County	16,411
Jefferson County	18,207
Dickinson County	19,015
Pottawatomie County	19,994
Cherokee County	21,064
Labette County	21,776
Seward County	23,013
Sumner County	23,488
Franklin County	26,441
Barton County	27,464
Ellis County	27,739
McPherson County	28,866
Miami County	30,969
Geary County	31,751
Lyon County	33,601
Cowley County	33,634
Ford County	33,692
Harvey County	34,247
Montgomery County	34,254
Crawford County	38,869
Finney County	42,074
Saline County	54,364
Reno County	63,357
Butler County	64,084
Riley County	71,341
Leavenworth County	75,227
Douglas County	116,383
Wyandotte County	155,085
Shawnee County	176,255
Sedgwick County	490,864
Johnson County	542,737

House Taxation

Date: 2-18-11

Attachment: 4

Kansas Department of
Revenue
HB 2331 - amendments
Fiscal Impact

FY	<15,000
2013	\$(2.50)
2014	\$(7.50)
2015	\$(12.50)
2016	\$(17.50)
2017	\$(22.50)

House Taxation
Date: 2-18-11
Attachment: 4-2

Kansas Department of
Revenue
HB 2331 - amendments
Fiscal Impact

FY	< 10,000
2013	\$(2.10)
2014	\$(6.40)
2015	\$(10.70)
2016	\$(15.00)
2017	\$(19.30)

HOUSE BILL No. 2331

By Committee on Taxation

2-11

Proposed Amendment to HB2331
Committee on Taxation Meeting
By: Office of Revisor of Statutes

House Taxation
Date: 2-18-11
Attachment: 5

1 AN ACT concerning economic development; creating rural opportunity
2 zones; relating to income taxation, credit for certain taxpayers, amount
3 and requirements; student loan repayment program.
4

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

6 Section 1. As used in sections 1 through 3, and amendments thereto:

7 (a) "Institution of higher education" means a public or private
8 nonprofit educational institution that meets the requirements of
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13 Jewell, Kingman, Kiowa, Lane, Lincoln, Logan, Marion, Morton, Ness,
14 Norton, Osborne, Pawnee, Phillips, Rawlins, Republic, Rooks, Rush,
15 Russell, Scott, Sheridan, Sherman, Smith, Stanton, Trego, Thomas,
16 Wallace, Washington, Wichita or Woodson counties;

17 (c) "secretary" means the secretary of commerce; and

18 (d) "student loan" means a federal student loan program supported
19 by the federal government and a nonfederal loan issued by a lender such
20 as a bank, savings and loan or credit union to help students and parents
21 pay school expenses for attendance at an institution of higher education.

22 Sec. 2. (a) For taxable years commencing after December 31,
23 2011, and before January 1, 2017, there shall be allowed as a credit
24 against the tax liability of a resident individual taxpayer an amount equal
25 to the resident individual's income tax liability under the provisions of the
26 Kansas income tax act, when the resident individual:

27 (1) Was domiciled outside this state for five or more years
28 immediately prior to establishing their domicile in a rural opportunity
29 zone in this state;

30 (2) had no Kansas source income for five or more years immediately
31 prior to establishing their domicile in a rural opportunity zone in this
32 state; and

33 (3) was domiciled in a rural opportunity zone during the entire
34 taxable year for which such credit is claimed.

35 (b) A resident individual may claim the credit authorized by this

Cloud, Commanche,

Elk,

Mitchell,

, Wilson

1 section for not more than five consecutive years following establishment
2 of their domicile in a rural opportunity zone.

3 (c) The maximum amount of any refund under this section shall be
4 equal to the amount withheld from the resident individual's wages or
5 payments other than wages pursuant to K.S.A. 79-3294 et seq., and
6 amendments thereto, or paid by the resident individual as estimated taxes
7 pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.

8 (d) No credit shall be allowed under this section if:

9 (1) The resident individual's income tax return on which the credit is
10 claimed is not timely filed, including any extension;

11 (2) the resident individual is delinquent in filing any return with, or
12 paying any tax due to, the state of Kansas or any political subdivision
13 thereof; or

14 (3) the resident individual does not establish such individual's
15 domicile in a rural opportunity zone prior to January 1, 2016.

16 (a) This section shall be part of and supplemental to the Kansas
17 income tax act.

18 Sec. 3. (a) Any county that has been designated a rural opportunity
19 zone pursuant to section 1, and amendments thereto, may participate in
20 the program provided in this section by authorizing such participation by
21 the county commission of such county through a duly enacted written
22 resolution. Such county shall provide a certified copy of such resolution
23 to the secretary of commerce on or before January 1, 2012, for calendar
24 year 2012, or on or before January 1 for each calendar year thereafter, in
25 which a county chooses to participate. Such resolution shall obligate the
26 county to participate in the program provided by this section for a period
27 of five years, and shall be irrevocable. Such resolution shall specify the
28 maximum amount of outstanding student loan balance for each resident
29 individual to be repaid as provided in subsection (b), except the
30 maximum amount of such balance shall be \$15,000.

31 (b) If a county submits a resolution as provided in subsection (a),
32 under the program provided in this section, subject to subsection (d), the
33 state of Kansas and such county which chooses to participate as provided
34 in subsection (a), shall agree to pay in equal shares the outstanding
35 student loan balance of any resident individual who qualifies to have such
36 individual's student loans repaid under the provisions of subsection (c)
37 over a five-year period, except that the maximum amount of such balance
38 shall be \$15,000. The amount of such repayment shall be equal to 20% of
39 the outstanding student loan balance of the individual in a year over the
40 five-year repayment period. The state of Kansas is not obligated to pay
41 the student loan balance of any resident individual who qualifies pursuant
42 to subsection (c) prior to the county submitting a resolution to the
43 secretary pursuant to subsection (a). Each such county shall certify to the

1 secretary that such county has made the payment required by this
2 subsection.

3 (c) A resident individual shall be entitled to have such individual's
4 outstanding student loan balance paid for attendance at an institution of
5 higher education where such resident individual earned an associate,
6 bachelor or post-graduate degree under the provisions of this section
7 when: (1) The resident individual was domiciled outside this state for
8 three or more years and had no Kansas source income for two or more
9 years immediately prior to establishing such individual's domicile in a
10 rural opportunity zone in this state; or (2) the resident individual was a
11 resident of Kansas prior to attending an out-of-state institution of higher
12 education. Such resident individual may enroll in this program in a form
13 and manner prescribed by the secretary. Subject to subsection (d), once
14 enrolled such resident individual shall be entitled to full participation in
15 the program for five years, except that if the resident individual relocates
16 outside the rural opportunity zone for which the resident individual first
17 qualified, such resident individual forfeits such individual's eligibility to
18 participate, and obligations under this section of the state and the county
19 terminate. No resident individual shall enroll and be eligible to participate
20 in this program after June 30, 2016.

21 (d) The provisions of this act shall be subject to appropriation acts.
22 Nothing in this act guarantees a resident individual a right to the benefits
23 provided in this section. The county may continue to participate even if
24 the state does not participate.

25 (e) The secretary shall adopt rules and regulations necessary to
26 administer the provisions of this section.

27 Sec. 4. This act shall take effect and be in force from and after its
28 publication in the statute book.
29