

SESSION OF 2007

SUPPLEMENTAL NOTE ON SENATE BILL NO. 240

As Recommended by Senate Committee on
Assessment and Taxation

Brief*

SB 240 would establish a single-factor corporation income tax apportionment formula option for manufacturers which construct a new facility in Kansas that costs at least \$100 million; employ at least 100 new employees at such facility by December 31, 2009; and pay higher than average wages.

The optional apportionment formula, which would be based exclusively on the amount of sales attributable to Kansas, would be required to be utilized by taxpayers for 10 tax years.

Background

Under current law, income of multi-state corporations is generally subject to a three-factor apportionment formula based on property, payroll, and sales.

Proponents of the bill included the Greater Topeka Chamber of Commerce and Hill's Pet Nutrition.

An e-mail from the Department of Revenue revising the original fiscal note indicates that the bill would be expected to have no fiscal note for a number of years because of the extent to which high performance incentive program tax credits already are available under current law for qualifying projects of this magnitude.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>