MARY ANN TORRENCE, ATTORNEY
REVISOR OF STATUTES

JAMES A. WILSON III, ATTORNEY
FIRST ASSISTANT REVISOR

GORDON L. SELF, ATTORNEY
FIRST ASSISTANT REVISOR

OFFICE OF REVISOR OF STATUTES
KANSAS LEGISLATURE

MEMORANDUM

To:	Joint Committee on Energy and Environmental Policy
From:	Matt Sterling, Assistant Revisor of Statutes
Date:	October 18, 2011
Subject:	Tax Incentives for Renewable Energy

K.S.A. 79-201 exempts from all property taxes, all property actually and regularly used predominantly to produce and generate electricity utilizing renewable energy resources or technologies. The statute defines "renewable energy resources or technologies" as wind, solar, photovoltaic, biomass, hydropower, geothermal and landfill gas resources or technologies.

The legislature has also created tax credits and deductions for renewable energy. K.S.A. 79-32,245 through 79-32,249 provides a credit for a qualified investment in the construction of a facility that generates electricity through renewable means and K.S.A. 79-32,251 through 79-32,255 provides a credit for a qualified investment in storage and blending equipment used for petroleum-based fuel and biofuel. The amount of the credit available under both acts is 10% of the first $50,000,000 invested and 5% of all moneys beyond that. The credit is available for taxable years 2007 through 2011.

In addition to the tax credit, 79-32,249 and 79-32,250 allow for a deduction for the amortization of the costs of a new renewable electric facility and waste heat utilization system at an electric generation facility, respectively. The deduction is based upon a period of 10 years and is 55% of the amortizable costs for the first year the facility is in production and 5% for each of the next nine years. K.S.A. 79-32,256 provides a tax deduction for the amortizable costs of carbon dioxide capture, sequestration or utilization. The amortization would be 55% of the amortizable costs for the first year the machinery or equipment was in operation and 5% for each of the next nine years.