

2012

HOUSE BILL NO. _____

By Joint Committee on Energy and Environmental Policy

AN ACT concerning income tax credits and plugging of abandoned wells.; amending K.S.A. 2011 Supp. 79-32,207 and repealing the existing section.

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

Section 1. K.S.A. 2011 Supp. 79-32,207 is hereby amended to read as follows: 79-32,207. (a) As used in this section, "abandoned oil or gas well" means an abandoned well, as defined by K.S.A. 55-191 and amendments thereto:

(1) The drilling of which was commenced before January 1, 1970; and

(2) which is located on land owned or leased by the taxpayer claiming the tax credit allowed by this section.

(b) For any taxable year commencing after December 31, 2000, a credit shall be allowed against the tax imposed by the Kansas income tax act on the Kansas taxable income of a taxpayer for expenditures made for the purpose of plugging any abandoned oil or gas well in accordance with rules and regulations of the state corporation commission applicable thereto, in an amount equal to ~~50~~ 100% of such expenditures made in the taxable year.

(c) If the amount of the tax credit allowed by this section exceeds the taxpayer's income tax liability for such taxable year, ~~the amount thereof which exceeds such tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability~~ such excess amount shall be refunded to the taxpayer.

(d) The total amount of credits allowed taxpayers pursuant to this section, including the amount of credits carried over under subsection (c), shall not exceed \$250,000 for any one fiscal year.

(e) The secretary of revenue shall adopt such rules and regulations as necessary to carry out the purposes of this section.

Sec. 2. K.S.A. 2011 Supp. 79-32,207 is hereby repealed.

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