

SESSION OF 2019

SUPPLEMENTAL NOTE ON SENATE BILL NO. 125

As Recommended by Senate Committee on
Assessment and Taxation

Brief*

SB 125 would extend the Rural Opportunity Zone Program by five years. The deadline for a participant to begin participation in the student loan repayment portion of the program would be extended to July 1, 2026, and the individual income tax credit portion of the program would be extended through tax year 2026. A requirement for the Department of Commerce to provide an annual report concerning the program would also be extended an additional five years.

Background

The bill was introduced by Senators Hilderbrand, Alley, Baumgardner, Berger, Billinger, Bowers, Doll, Estes, Givens, Goddard, Hawk, Longbine, Masterson, Olson, Petersen, Pyle, Rucker, Skubal, Suellentrop, Taylor, and Wilborn. At the Senate Committee hearing on the bill, Senator Hilderbrand and representatives of the City of Fort Scott and Crawford County Board of Commissioners testified in support of the bill. Written-only testimony in support of the bill was provided by the Kansas Hospital Association and Pittsburg State University. No opponent or neutral testimony was provided.

According to the fiscal note prepared by the Division of the Budget, enactment of the bill would reduce State General Fund revenues by \$2.6 million in fiscal year 2022 and \$3.0 million in fiscal year 2023 because of the extension of the

*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>

income tax credit. The Department of Revenue indicates it would require \$52,750 from the State General Fund to implement the bill and modify the automated tax system. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2020 Governor's Budget Report*.