

SESSION OF 2016

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 149**

As Recommended by House Committee on  
Taxation

**Brief\***

House Sub. for SB 149 would make several changes in law relating to income taxes.

The sunset for the angel investor tax credit program, which offers qualified investors transferable state income tax credits of 50 percent, would be extended by five years, from tax year 2017 to tax year 2022.

Additional provisions would create a new individual income tax checkoff program authorizing taxpayers to donate to local school districts of their choice. Donations could be made in an amount of \$10, \$25, \$50, or any another amount designated by taxpayers (including the entire amount of a given refund). Moneys donated would be required to be treated as donations to school districts in accordance with KSA 72-8210 and be reported as gifts for purposes of the Kansas Uniform Financial and Reporting Act.

Another provision would require placement on the individual income tax form of a line for payment of sales tax on out-of-state and internet purchases where the tax was not previously paid (something the Department of Revenue already has been doing administratively for over a decade).

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\*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>

## **Background**

As approved by the Senate and later the House Judiciary Committee during the 2015 Session, the bill dealt with the civil commitment of sexually violent predators and the Sexual Predator Treatment Program. The House Taxation Committee, on March 18, 2016, stripped the bill of its prior contents, recommended a substitute bill be created, and inserted the aforementioned provisions relating to income taxes.

The angel investor sunset extension, originally in HB 2405, would reduce State General Fund receipts by about \$4.2 million per year beginning in FY 2018, according to the Department of Revenue.

Relative to the new school district checkoff (the subject matter of HB 2590), the Department of Revenue indicated it would incur additional administrative costs of \$63,200 in FY 2017.

The mandate for a line on the individual income tax form providing for payment of sales tax on out-of-state and internet purchases was contained originally in HB 2603.