

AGENDA
Meeting of the LPAC Economic Development Subcommittee
Monday, March 30, 2020
Teleconference | Call: (346) 248-7799 | Meeting ID: 424 702 964
11:30 am – 12:00 pm

11:30 **Welcome by the Chair**

11:35 **Select Incentives for First Evaluation Cycle**

- Review List of Incentives **[Attachment A]**
- Approve Incentives for First 3-Year Evaluation Cycle

11:55 **Adjournment**

Scheduled times are estimates and subject to change by the Chair.

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Attachment A

We propose including all incentives currently above the line in our first 3-year evaluation cycle.										
#	Incentive	LPA Description	Year Created	Number of Recipients	Incentive Value in FY 2018	Mechanism(s)	Purpose(s)	Administering Agency	LPA Notes About Incentive	Estimated LPA Resources Required
1	Job Creation Program Fund (JCF)	This fund provides cash awards to businesses. Companies receive cash when they meet certain goals. These goals might include creating jobs or making investments. Payments are usually made over three years.	2011	10	\$ 2,025,000	Forgivable loan or grant	Job creation/retention Employee training/retraining Capital investment	Commerce		Large
2	Kansas Industrial Retraining (KIR)	This program provides worker training funds to companies. It helps workers who have obsolete or inadequate job skills or knowledge. Companies have to retrain at least one worker and pay a certain wage to qualify. They also have to show the worker would otherwise lose their job.	1988	40	\$ 412,835	Grant	Job retention Employee training/retraining	Commerce	Recipient number combined with KIT	
3	Kansas Industrial Training (KIT)	This program is like the KIR program. It provides training funds to companies. It helps new workers gain the skills and knowledge they need to do their new jobs. Companies have to create at least one new job and pay a certain wage to qualify.	1988	40	\$ 412,835	Grant	Job creation Employee training/retraining	Commerce	Recipient number combined with KIR	
4	Promoting Employment Across Kansas (PEAK)	This program lets companies keep some of their employees' state income tax payments. Businesses must meet several criteria to qualify. This includes hiring a minimum number of people and paying them certain wages. Businesses can receive payments for up to 10 years.	2009	140	\$ 33,691,916	Retention or refund of state withholding taxes	Job creation/retention	Commerce, Revenue		
5	Owners Promoting Employment Across Kansas (PEAK) Credit	This tax credit is for for taxpayers who own and take part in companies that have relocated to Kansas. Only taxpayers who take part in the PEAK program qualify. The credit is equal to 95% of the income tax amount payable because of the business.	2011	0	\$ -	Income tax credit	Job creation Capital investment	Commerce, Revenue		
6	High Performance Incentive Program (HPIP)	This program gives companies tax credits or sales tax exemptions. Businesses have to meet several conditions to qualify. These include being in certain industries and paying certain wages. Companies can receive a credit for training their workers. They can also receive a credit for investing in certain business facilities. The credit amount depends on many factors.	1992	220	\$ 36,806,458	Income tax credit or sales tax exemption	Employee training/retraining Capital investment	Commerce, Revenue		
40	STAR Bonds	This program lets cities and counties issue bonds for major projects. The city or county can only use the bond proceeds for certain expenses. It can then use the increased sales tax revenue from the project to pay off the bond. Projects must meet certain requirements to qualify.	2007	20	\$ 500,000,000	Tax-exempt bonds repaid through sales taxes	Job creation/retention Capital investment	Commerce	20 projects in 12 cities have used STAR bonds. Total distribution is an estimation of the all-time issuance total. Sunsets in 2020. If program is extended, it may undergo substantial change during the 2020 legislative session.	Large
10	Kansas Angel Investor Tax Credit	This program gives tax credits to qualified investors in Kansas businesses. The investor must invest in a qualifying business. They can receive a 50% credit on cash investments up to a total of \$250,000 per year.	2004	267	\$ 3,105,939	Income tax credit	Capital investment	Commerce, Revenue		Small
--	Newly Created Incentives	KSA 46-1137 requires LPA to evaluate any incentives passed by the Legislature a year after their passage. For the first evaluation cycle, this includes any incentives passed during the 2020-2022 legislative sessions.	--	--	--	--	--	--	--	Small
	<i>TBD #1. You can choose 2 small incentives from below.</i>									
	<i>TBD #2. You can choose 2 small incentives from below.</i>									

You need to select 2 small incentives above this line (see column K). The remaining incentives will be excluded from our first evaluation cycle.

9	Community Entrepreneurship Investor Credit	This tax credit is for taxpayers who contribute to NetWork Kansas. The credit is equal to 50% of donations of \$250 or more.	2004	199	\$ 1,689,756	Income tax credit	Capital investment	Revenue, Kansas Center for Entrepreneurship		Small
11	Telecommunications Credit	This tax credit is for certain telecommunications companies. It helps offset some of their property tax. The credit is equal to the difference between paying a 33% rate and a 25% rate.	2000	17	\$ 1,363,097	Income tax credit	Capital investment	Revenue	Eligibility restricted beginning in 2013	Small
20	Employee Salary/Small Company Credit	This tax credit is for insurance companies that pay premium taxes. It is equal to 15% of the wages the company pays to workers employed in Kansas. For smaller companies, it is equal to a percentage of the tax they paid.	1997	409	\$ 64,743,431	Premium tax credit	Job creation/retention	Insurance		Small
24	Abandoned Well Plugging Credit	This tax credit is for certain companies that pay to plug an abandoned oil or gas well on their land. It provides a credit equal to 50% of the cost to plug the well.	1998	Confidential	Confidential	Income tax credit	Environmental conservation	KCC, Revenue	Eligibility restricted beginning in 2013	Small
22	Economic Development Exemptions (EDX)	This property tax exemption is for businesses in certain industries. The business has to be new or expanding to create new jobs. A city or county has to grant the exemption, which can last for up to 10 years.	1986	127	\$ 981,554,457	Property tax exemption	Job creation Capital investment	Revenue, BOTA	Incentive amount is the total of all existing awards in FY18. Each award covers several years. BOTA determines exemptions. Revenue audits businesses and maintains data.	Large
23	Industrial Revenue Bond Exemption (IRB)	This property tax exemption is for businesses in certain industries. It is for property or projects funded with industrial revenue bonds. A city or county has to grant the exemption, which can last for up to 10 years.	2013	188	\$ 2,261,086,427	Property tax exemption	Capital investment	Revenue, BOTA	Incentive amount is the total of all existing awards in FY18. Each award covers several years. Amended a 1975 law to include more recently issued IRBs. BOTA determines exemptions. Revenue maintains data and audits businesses.	Large