

# **City of Lindsborg** **Economic** **Development** **Incentives**

*Little Sweden U.S.A.*



## **INTRODUCTION**

The City of Lindsborg encourages economic activity through tourism and industry, thereby broadening its tax base and improving the quality of life for its citizens. The use of public funds may be necessary or desirable to stimulate business growth in certain cases. The decision to provide incentives to a business is guided by the expectation that the financial benefits to the City of Lindsborg will produce a sufficient return on the City's investment and that the business will be a good fit for the community. All proposed incentives are subject to a public hearing. Governmental agencies are not eligible for financial incentives under this policy. No elected or appointed officer, employee or committee of the City, Chamber of Commerce, Smoky Valley Development Company, board or other public or private body or individual, shall be authorized to speak for and commit the City Council to the granting of an incentive. This policy is meant to encourage the following:

- A. Encourage the tourism industry
- B. Encourage research-based and high-technology business
- C. Encourage existing industry to expand
- D. Encourage training and development of Lindsborg area employees
- E. Assist new business start-ups
- F. Recruit new companies from out of state and internationally
- G. Encourage the location and retention of businesses which are good corporate citizens that will add to the quality of life in Lindsborg through their leadership and support of local civic and philanthropic organizations.

The following pages are examples of programs available both locally and state wide. Some programs may not be available to specific businesses. Please contact the City of Lindsborg Economic Development office with any questions.

## **DEFINITIONS**

“Economic development purposes” shall mean the establishment of a new business or the expansion of an existing business, which:

- A. Is or will be primarily engaged in any one or more of the Kansas basic industries; or
- B. Is or will be primarily engaged in the development or production of goods or the provision of services for out-of-state sales; or
- C. Is or will be primarily engaged in the production of raw materials, ingredients or components for other enterprises which export the majority of their products; or
- D. Is a national or regional enterprise which is primarily engaged in interstate commerce; or
- E. Is or will be primarily engaged in the production of goods or the provision of services will supplant goods or services which would be imported into the city; or
- F. Is the corporate or regional headquarters of a multi-state enterprise, which is primarily engaged in out of state industrial activities that take place outside of Lindsborg.

“Kansas basic industry” shall mean:

- Tourism activities, which are primarily engaged in for the purpose of attracting regional and out of state tourists.
- Agriculture;
- Light manufacturing
- Wholesale trade which is primarily engaged in multi-state activity or which has a major import supplanting effect within the state;
- Financial services which are primarily engaged in providing such services for interstate or international transactions;
- Business services which are primarily engaged in providing such services to out-of-town markets;
- Research and development of new products, processes or technologies;

As used in the subsections, “primarily engaged” means engagement in an activity by an enterprise to the extent that not less than 51% of the gross income of the enterprise is derived from such engagement.

## **ECONOMIC DEVELOPMENT POLICY**

The City of Lindsborg will be selective as to the kinds of businesses that are recruited and assisted. In general, the primary objective of the City of Lindsborg's Economic Development Policy is to target new and expanding businesses that are environmentally sound, strengthen our local economy, and demonstrate a need for public financial support in order to locate or expand in Lindsborg. Additionally, the City favors tourism attraction based businesses and industry that creates a high-caliber employment, such as high-skill, high-wage jobs with increased employee benefits and superior working conditions.

The City of Lindsborg may approve for economic development purposes the following property tax reduction incentives for one of the following business activities:

- A tourism attraction based facility or enterprise, for an exemption up to 100% of the qualified property investment for up to 10 years;
- A historic based retail rehabilitation project, listed on the state or national register or deemed eligible, for an exemption up to 100% of the qualified property investment for up to 10 years;
- Conducting research and development, for an exemption up to 50% of the qualified property investment for 10 years;
- Manufacturing articles of commerce, for an exemption up to 50% of the qualified property investment for up to 10 years; and
- Storing goods that are sold or traded in interstate commerce, for an exemption up to 25% of the qualified property investment for up to 5 years.

Qualified Incentives include abatements and rebates. Depending on the project and time frame for competition, only one abatement program or rebate program will be available.

### **Kansas Tax Abatement Program**

The abatement term for projects considered under authority of Section 13 of Article 11 of the Kansas Constitution shall begin in the calendar year after the calendar year in which the business commences its operations locally. The abatement term for projects considered under authority K.S.A. 12-1740 et seq. and K.S.A 79-20a shall begin in the calendar year after the calendar year in which the bonds are issued.

### **Lindsborg Tax Rebate Program**

The rebate term on qualified projects will begin after project completion, appraisal by the county appraiser for the first complete calendar tax year the business commences its operations locally. All taxes must be paid in full and paid receipt presented with completed paperwork for rebate reimbursement.

## **POLICY AND PROCEDURES**

The purpose of this section is to establish the official policy and procedures of the City of Lindsborg for the granting of incentives for new and expanding retail and industrial businesses not otherwise addressed within this policy.

The primary objectives of the City in granting incentives to businesses for development include the expansion of the sales tax base, general enhancement of Quality of Life, development of Lindsborg as a tourism destination based community, for goods and services in Kansas, and the expansion of the property tax base.

A single business must meet all of the following criteria:

- A. One facility within a development must be at least 10,000 square feet
- B. \$1,000,000 annual-retail sales
- C. Ten or more employees

Examples of available incentives that may be available to businesses may include; 10-10 EP, State Employment Programs and Rural Development Finance Programs.

New or existing businesses that seek financial incentives from the City must file an *Application for Economic Incentives* before their request can be considered. The application shall contain the following information:

- A. Specific information on incentives being requested
- B. Company profile including longevity of company, principle officers, stockholders and clients
- C. Audited financial statements – last five (5) years
- D. Completed (attached) *Application for Economic Incentives and Supplemental Questionnaire*
- E. File a Business Plan as it relates to the proposed business to be located in Lindsborg
- F. Prepare a Cost Benefit Analysis. The City will not consider the granting of any incentive unless the business submits a full and complete application, and provides additional information as may be requested by the City Council. The accuracy of the information provided in the application shall be verifiable by the applicant. Any misstatement of or error in fact may render the application null and void and may be cause for the repeal of any resolution adopted in reliance on said information.

## **FEES**

Any business requesting any incentive shall pay to the City a nonrefundable application fee of \$500, which shall be submitted at the same time the *Application for Economic Incentives* is submitted. At its discretion, the City Council may consider waiving a portion of the fee upon request, based upon need. In addition, any business which has been granted an incentive shall pay an annual nonrefundable renewal fee in the amount of \$100. In addition to the application and renewal fees, the business seeking a tax abatement shall be responsible for any City costs associated with the retention of bond counsel, attorney costs, or auditing costs associated with abatement approval and review, auditing or industrial revenue bond issuance.

## **MEMORANDUM OF UNDERSTANDING**

Authority to issue memorandums of understanding to consider requests for incentives shall lie only with the City Council. Such memorandums of understanding shall only be issued by the City Council, and as an expression of good faith intent, but shall not in any way bind the City to the granting of an incentive. Such memorandums of understanding shall expire six months after issuance, but may be renewed. A public hearing shall not be required prior to the issuance of memorandums of understanding.

No incentive shall be granted by the City prior to a public hearing thereon. Notice of the public hearing shall be published at least seven days prior to the hearing in the official city newspaper, giving the time and place, and the hearing may be held at a regular or special meeting of the City Council. The City Administrator shall thereupon notify the McPherson County Commissioners, the superintendent of the school district, and the clerk of any taxing jurisdiction, excluding the state, which derives or could derive property taxes from the affected business advising them of the scheduled public hearing and inviting their review and comment. Upon request, the City Administrator shall provide any such public agency with a copy of the application, which shall remain confidential unless released by the City Council. The applicant business shall be invited, but not required, to attend the public hearings.

## **PERFORMANCE AGREEMENT**

Any incentive granted pursuant to this Resolution shall be accompanied by a Performance Agreement between the applicant and the City, which shall include provisions governing the situation if an applicant fails to meet the wage, number of jobs, and/or capital investment projections set forth in the original application. Each incentive shall be reviewed annually. The City Council shall receive the annual review report, and if the City Council determines that a business or project is not in compliance with the provisions of the Performance Agreement, then the incentive may be modified pursuant to the Performance Agreement as the City Council deems appropriate. The County Appraiser and the State Board of Tax Appeals shall be notified of appropriate actions.

## **COST BENEFIT ANALYSIS**

The Cost Benefit Analysis will offer a wide spectrum of information as it pertains to development, the adequacy, or inadequacy of, financial incentives, and finally, the net gain, current and future, of entering into these types of endeavors on behalf of the citizens of Lindsborg. The Cost Benefit Analysis should address the following items:

1. **DIRECT COSTS TO THE CITY OF LINDSBORG.** Any identified direct cost should be included in the analysis. Examples of these types of costs include municipal infrastructure to the business site, and costs of providing city emergency services such as fire and police protection.
2. **BENEFIT TO THE CITY OF LINDSBORG.** Direct benefits include wages/salaries/benefits paid to employees, any taxes collected (property, sales, franchise fees), purchases of products/services from local vendors.
3. **COST VERSUS BENEFIT.** From a community perspective, incentives are used because a net benefit is expected. A desired benefit to cost ratio must be at least in the 1.25:1 ratio. Proposed economic development projects that achieve this benchmark traditionally employ a higher proportion of local labor, including managers, at an above-average hourly wage.

This analysis should identify the particulars involving the developer's proposal. This should include confirmation of the size of the store, financial information, number of employees, pay scale, tax collections, and other areas involving development. The developer is responsible for the development of this analysis including any cost incurred.

## **ANNUAL REVIEW FOR COMPLIANCE**

All incentives granted shall be subject to an annual review to ensure that the ownership, use of property, and the economic performance of the business, including the capital investment, employment, and wages, are pursuant to requirements and criteria of this policy, the application, and the conditions of the granting of incentives. The review shall also include a comprehensive review of the entire abatement period for the business (if applicable), including milestones and project phases for the business. The annual review shall provide an opportunity for the company receiving the incentive to describe their achievements, especially in the areas of environmentally sound practice, community engagement and services, and job training. If the business:

- A. no longer qualifies for the incentive pursuant to law or this policy
- B. substantially fails to meet the expectations set forth in the application for an incentive, including failure to meet employment, wage, or capital investment plans in the application
- C. substantially fails to meet the criteria or objectives of this policy; the City Council, after notice and a public hearing may modify the incentive by ordinance.

The City reserves the right to issue any level of penalties that it deems necessary. These may include; 1) rescission, which is a complete cancellation of the incentive, 2) penalties, which are fines charged when the business does not meet a certain level of performance or relocates, and finally, 3) recalibrations, which are the provisions for changing the incentive in some manner in order to accommodate an evolving economic climate. The use of these tools will provide a safety net to the community, ensuring that its investment in the business will result in the positive benefits it expects.

Each business receiving an incentive shall be required to complete an annual report by March 1. The information in the report will cover the time period of January 1 through December 31 of the previous year. The annual report will be reviewed by May 1. By May 1 of each year, an annual report listing all financial incentives that remain in effect will be presented to the City Council. The annual report shall include information regarding when the incentive was granted, when the incentive expires, current property taxes paid for the property, in lieu of tax payments, amount of any industrial revenue bonds issued, the assessed value of the property, number of employees, salary and payroll of employees, and any additional information concerning the operation of the business receiving the incentive, and other information as requested by the City Council.

The failure of a business to provide accurate and timely information to the City in the preparation of the annual report shall be grounds for the modification or revocation of the incentive granted.

The City may require an annual renewal application to be filed or other information necessary to assure the continued qualification of the exempt business. Any material omission or misstatement of fact in information provided to the City in any such statement or renewal application may be cause for repeal of any incentive ordinance adopted, renewed or extended in reliance thereon.

### **TRANSFER OF OWNERSHIP OR USE**

No incentives granted by the City shall be transferred as a result of a change in the majority ownership of the business. Any new owner shall file a new application, along with the renewal fee, for an incentive. Further, the City shall be notified by the business of any substantive change in the use of a tax exempt property.

### **RETROACTIVE GRANTING OF INCENTIVES**

No incentives, including the granting of 10-10 EP funding, will be distributed on a retroactive funding basis. Incentives will be granted pursuant to the guidelines of this policy and effective on the date indicated and approved by the City Council.



## **DISTRIBUTION OF REVENUE**

The granting of an incentive by the City is hereby declared to be a contract under the provisions of K.S.A. 12-147. The in lieu of taxes payment, which may be required of a business granted a tax abatement under this Statement, shall be paid to the County Treasurer, with notice of the amount and date paid provided to the City. The County Treasurer is directed to apportion the payment, under the provisions of subsection (3) of K.S.A. 12-148, to the general fund of all taxing subdivisions, excluding the state, which levy taxes on property where the business is situated. The apportionment shall be based on the relative amount of taxes levied, for any and all purposes by each of the applicable taxing subdivisions.

## **ABATEMENT ORDINANCE**

The City Clerk shall provide a copy of the ordinance, as published in the official city newspaper, granting an abatement from taxation to the applicant for use in filing an initial request for tax abatement as required by K.S.A. 79-213, and by K.S.A. 79-210 for subsequent years.

## **ABATEMENT FORMS**

A copy of the abatement application required by K.S.A. 79-213 and 79-210, and the statement required by K.S.A. 79-214 for the cessation of an exempt use of property, shall be filed with the county appraiser by the property owner.

## **WAIVER OF STATEMENT REQUIREMENTS**

The City Council reserves the right to grant or not to grant an incentive under circumstances beyond the scope of this Statement, or to waive any procedural requirement. However, no such action or waiver shall be taken or made except upon a finding by the City Council that a compelling or imperative reason or emergency exists, and that such action or waiver is found and declared to be in the public interest. In addition, no abatement can be provided without the approval of the State Board of Tax Appeals.

## **AMENDMENTS**

The City Council of the City of Lindsborg retains the right to amend any portion of this policy as needed and will inform all other governing bodies in the county with authority to abate property from ad valorem taxes of the amendments it has implemented.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2006, by the Governing Body of the City of Lindsborg, Kansas.

\_\_\_\_\_  
John C. Magnuson, Mayor

ATTEST:

\_\_\_\_\_  
Jerry Lovett-Sperling, CMC  
City Clerk

## **Local Programs**

### **Lindsborg Historical Tax Rebate Program**

This area includes the Lindsborg downtown C-2 area. With this designation all new taxable improvements can receive a rebate of 95- percent of the property taxes levied against the new improvements each year for five years. Application is simple and made at the time a building permit is issued. Commercial property, in Kansas, is assessed at 25% percent of actual value. Thus, a new \$1 million commercial improvement would be assessed at \$250,000 and the tax in 2006 (\$123.89 per 1,000 of Assessed Valuation) would be \$30,972. Of that \$29,424 (95 percent) would be refunded the first year. Over five years, on a sliding scale the total rebates (at current rates) would equal \$147,120. The Lindsborg Economic Development staff can assist with application materials and other requirements.

### **Business Facility Improvement Rebate Program**

The applicant agrees that a minimum of 75% of the proposed improvements will be made to exterior of the business structure to include brick repair, roof, foundation repair, painting, doors, windows, awnings and parking facilities. The remaining (up to 25%) may be used for interior repairs such as painting, electrical and plumbing services to bring them into compliance with applicable codes; air conditioning, heating, walls, floors, ceiling and lighting. The rebate shall not be used for working capital or for the purchase of inventory or display shelves or cases. The Lindsborg Economic Development staff can assist with application material and other requirements.

### **Financing Options**

Other financing options may be available on a case by case basis. Those include Industrial Revenue Bonds (IRB), Economic Development Community Block Grants, (CDBG) or USDA or SBA guaranteed loan programs.

# **Lindsborg Employment Incentives**

## **10-10 Employment Program (10-10 EP)**

The 10-10 Employment Program of the City of Lindsborg is to encourage new and/or existing businesses to hire employees. To participate in the 10-10 EP, a prospective employer must agree to hire at least ten (10) employees at an hourly wage of no less than \$10.00/hr.

For those employers creating ten (10) or more jobs paying no less than \$10.00/hr., the 10-10 EP, subject to the City's budgetary limitations, shall receive the following:

1. For each full time position created paying no less than \$10.00/hr. base salary, not including employee benefits, the City will pay to the employer \$1,000 per job. For each part time position (25 or more hours per week) created paying no less than \$10.00/hr. base pay, not including benefits, the City will pay to the employer \$500.00. Those funds shall be paid in 20% increments over a five (5) year period, and the employer will be required to provide, at the end of each year, in order to receive 10-10 EP funds for that year, an audited payroll showing those ten (10) or more jobs were filled throughout the one year period.
2. For full time jobs exceeding \$15.00/hr., the City of Lindsborg will pay \$1500 per job on the same basis as noted previously including creation of a minimum of ten (10) jobs per company per agreement.

No 10-10 EP proceeds will be paid for the creation of jobs that do not meet established hourly wages as outlined above. It is specifically noted that an employer will apply for a specified number of jobs with the initial application. The employer or owner may be considered as a created job in a new business application, but the employer or owner is not considered when the business is an existing business. There is no increased eligibility if the employer creates more jobs than noted in original application; however, if the employer creates less than the number of jobs included in the application, no 10-10 EP funds will be distributed. 10-10 EP funding is allocated on a one-time occurrence per company. Retroactive funding activities are not allowed under this policy.

No jobs may be created, or employees hired, under 10-10 EP application until formal review by the City Administrator and formal approval has been given by the City Council subject to all of the activities contained in this policy.

# **Kansas Employment Incentives**

## **Kansas Industrial Retraining Program**

The Kansas Industrial Retraining program is a job retention tool that helps employees of restructuring companies who are likely to be displaced because of obsolete or inadequate job skills and knowledge. Eligible industries include basic enterprises that are restructuring operations through incorporation of new technology, diversification of production, or the development and implementation of new production activities. At least one current employee must be trained to qualify for assistance.

Examples of eligible expenditures include instructor salaries, curriculum development, travel, materials, supplies, textbooks, minor training equipment, and some facility costs.

To be eligible, a company must retrain at least one existing position at an average wage of at least \$8.50 per hour in Douglas, Johnson, Leavenworth, Sedgwick, Shawnee, and Wyandotte counties, or \$8.00 per hour in the rest of the state.

## **Kansas Industrial Training Program**

The KIT program may be used to assist firms involved in both pre-employment and on-the-job training. Pre-employment training may be used to allow the company and prospective employees an opportunity to evaluate one another before making employment commitments. Prospective employees are given the knowledge and specific skills necessary for job entry. On-the-job training is conducted after hiring. Trainees may receive instruction on the company's own production equipment on the plant floor or on similar machinery in a classroom setting.

Examples of eligible expenditures include instructor salaries, curriculum planning and development, travel, materials, supplies, textbooks, minor training equipment, and certain training facility costs.

To be eligible, a company must add at least one net new position at an average wage of at least \$8.50 per hour in Douglas, Johnson, Leavenworth, Sedgwick, Shawnee, and Wyandotte counties, or \$8 per hour in the rest of the state.

## **Neighborhood Improvement and Youth Employment Act**

The purpose of NIYEA is to employ eligible students to perform qualified work activities and to encourage completion of secondary school. The goals of NIYEA are to enhance citizenship skills; promote neighborhood/community pride and responsibility; provide structured, well-supervised work activities to meet special employability needs and improve employability skills; and provide opportunities to explore vocational interests through qualified work activities.

## **Older Kansans Employment Program**

The mission of the Older Kansans Employment program is to strengthen families and communities by providing disadvantaged and older Kansans opportunities to learn, work, and serve others. The Older Kansans Employment Program (OKEP) is designed to provide Kansans aged 55 and over with employment placement services with emphasis on employment in the private sector.

Priority is given to unemployed older Kansans who are most in need. OKEP provides skills assessment, resume preparation, counseling, job-seeking skills training, classroom training, job clubs, counseling, referrals, job development services, and mentoring services.

## **Registered Apprenticeship**

Apprenticeship is a viable option for employers to retrain current employees in the latest technologies while not losing valuable production time. Benefits include reduction of employee turnover and improved employer-employee relationships. Apprenticeship training combines actual work experience with classroom-related instruction and produces workers skilled in their occupations and capable of exercising independent judgment.

There are more than 850 occupations recognized as apprenticeable, and the list is still growing. An occupation is apprenticeable when it meets all the following characteristics:

In Kansas, there is a particular need for new employees in energy, health and adult care, and early childcare. Currently, most apprenticeship training is in the following industries: building and construction (carpenter, electrician, plumber), manufacturing (machinist, tool and die maker), and service (child care, auto mechanic).

## **Senior Community Service Employment Program**

The Senior Community Service Employment Program (SCSEP), like OKEP, is designed to provide Kansans aged 55 and over with employment placement services with emphasis on employment in the private sector. SCSEP is a federal grant to state governments and national nonprofit organizations for programs which subsidize part-time community service placements for disadvantaged senior citizens. Local public and private nonprofit organizations benefit from the program by obtaining the subsidized services of senior community service enrollees. Any individual who is at least 55 years of age, has an income not greater than 125 percent of the poverty level, or is a member of a family receiving regular cash welfare payments is eligible to enroll.

## **Work Opportunity Tax Credit**

The WOTC helps people move from welfare to work and gain on-the-job experience by encouraging private, for-profit employers to hire within one of nine targeted groups of job seekers, reducing the employer's federal income tax liability by as much as \$2,400 per qualified new worker. For hiring a qualified summer youth, an employer's federal income tax liability may be reduced by \$750 if the youth works at least 120 hours. If the youth works more than 400 hours, an employer's federal income tax liability may be reduced by \$1,200. The Welfare-to-Work Tax Credit encourages employers to hire long-term family assistance recipients by reducing the employer's federal tax liability by as much as \$8,500 per new hire.

# **Kansas Business Incentives**

## **From the Land of Kansas**

The From the Land of Kansas trademark program offers business assistance to Kansas producers, helping them make their companies viable. The Agriculture Marketing Division provides educational opportunities, marketing consultation, and business development assistance to help participants grow and prosper. Financial assistance is available through the Trade Show Assistance Grant and the Business Enhancement Grant for companies seeking to expand their businesses.

### **Trade Show Assistance Grant**

Assists companies exploring new trade shows that will enhance their marketing programs. Participants must have been a FLOK member for at least six months before applying for funds, and must provide sales reports to Commerce on show and post-show sales. The annual amount budgeted for this program is \$10,000. Maximum awards of up to \$500 annually may be given to individual companies.

### **Business Enhancement Grant**

This competitive grant program is designed to be a dollar-for-dollar match for companies to use for business enhancement projects. These projects may include business development, marketing development, brochure development, web site development, and other projects deemed appropriate by staff. Participants must have been FLOK members for at least six months before applying for funds. In addition, companies are asked to provide sales reports to Commerce on a quarterly basis for two years after the funding of the project. The annual amount designated for this program is \$25,000. Maximum awards of up to \$2,500 annually may be given to individual companies.

Nearly 370 Kansas businesses are currently enrolled in the program.

## **Kansas Economic Opportunity Initiatives Fund**

These funds are provided by the State Legislature to address opportunities or emergencies that may have substantial impact on the Kansas economy. This performance-based financial assistance is used to secure economic benefits and/or avoid or remedy economic losses. Eligible projects may include major expansion of an existing Kansas commercial enterprise, potential location of a major employer in Kansas, matching a significant federal or private sector grant, departure or substantial reduction of the operations of a major employer, or the closing of a major federal or state institution. Funding needs are considered upon application.

Approved applications generally are performance-based, zero percent, forgivable loans for a five-year period. Annual reports are required to verify job creation and payroll performance against contractual commitments.



## **ENTERPRISE ZONE INCENTIVES**

**Sales Tax Exemption** (K.S.A. 74-50,115 et seq., as amended) - The purchase of certain tangible personal property and services is exempt from sales tax for new or expanding businesses. Eligible purchases include materials used in the construction, reconstruction, enlarging, or remodeling of a qualified business facility. An exemption is also available on the purchase and installation of machinery and equipment. A business must qualify for the Job Creation Tax Credit to be eligible for the Sales Tax Exemption.

**Job Creation Tax Credit** (K.S.A. 79-32,160a et seq., as amended) - The Act provides for a base level Job Creation Tax Credit of \$1,500 for each net new employee created by the relocation or expansion of a business. The enhanced credit available in designated non-metropolitan business regions is \$2,500. A minimum of two (2) net new jobs must be created to qualify for this credit. (Refer to the chart on page 5 for more detailed information on the job creation requirements.) For expanding businesses or those building a replacement facility, a net new employee refers to those employees over and above the employee base calculated by averaging the preceding year's annual employment. A builder/developer is not eligible for this credit.

The Job Creation Tax Credit is a one-time credit against the business' Kansas state tax liability. The credit can be used to offset up to 100% of the businesses' Kansas income or privilege tax liability. Any unused portion of the credit may be carried forward indefinitely and used in succeeding years after verifying the number of net new employees.

**Investment Tax Credit** (K.S.A. 79-32,160a et seq., as amended) - The Act provides for an Investment Tax Credit of \$1,000 for each \$100,000 (or major portion thereof) of qualified business facility investment. A business must meet the job requirements of the Job Creation Tax Credit to be eligible for the Investment Tax Credit. A builder/developer is not eligible for this credit.

The Investment Tax Credit is a one-time credit against the business' Kansas state tax liability. The credit can be used to offset up to 100% of the businesses' Kansas income or privilege tax liability. Any unused portion of the credit may be carried forward indefinitely and used in succeeding years after verifying the number of net new employees.