

**40-252f. Credit for insurance companies for certain business investment expenses in qualified business facilities; eligibility; definitions.** (a) For tax years 2007, and thereafter, a foreign or domestic insurance company required to pay a tax on premiums under subsection (A), (C), (D) or (F) of K.S.A. 40-252, and amendments thereto, shall be allowed credits against such tax in amounts equal to the amount of such credits allowable under K.S.A. 74-50,132, 79-32,153 and 79-32,160a, and amendments thereto, when:

(1) Such credits are earned but not used by a related corporation not required to pay a tax on premiums under K.S.A. 40-252, and amendments thereto;

(2) the value of such credits is made available to the related corporation through a reduction in costs charged to the related corporation by such insurance company or the transfer of funds to the related corporation in an amount equal to the credit claimed by the insurance company; and

(3) when the entity earning the credits is engaged in a contract that is subject to the federal acquisition regulations for services related to the administration of the federal medicare program and has engaged in the investment in a qualified business facility as defined in K.S.A. 79-32,154, and amendments thereto, with respect to the acquisition or retention of a contract to administer the federal medicare program.

(b) In each tax year that the related corporation assigns to an insurance company its right to credits under this section, the related corporation must file and submit a signed waiver to the commissioner of insurance and the secretary of revenue on a form supplied by the secretary of revenue.

(c) "Related corporation" shall mean a corporation or partnership controlled by the insurance company. For the purposes of this act, "controlled by the insurance company" shall mean:

(1) In the case of a corporation, ownership, directly or indirectly, of stock possessing at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of all other classes of stock of the corporation; and

(2) in the case of a partnership ownership of at least 80% of the capital or profits interest in such partnership.

**History:** L. 2007, ch. 62, § 1; Apr. 5.