

Rural Opportunity Zones 2021 Overview / Updates

Kansas Department of Commerce



What is a Kansas Rural Opportunity Zone (ROZ)?

Rural Opportunity Zones Were established to as a tool for communities experiencing depopulation to incentivize NEW Citizens to move to the region.

ROZs provide up to a 5-year personal a 100% personal Kansas income tax credit as well as up to \$15,000 in student loan debt forgiveness. Pursuant to K.S.A. [74-50, 222 – 74-50,223](#)

MONTGOMERY COUNTY ACTION COUNCIL PRESENTS: MAY 2019

Rural Opportunity Zones

A Workforce Recruitment Tool from the State of Kansas



Rural Opportunity Zone Benefits

There's something special about life in rural Kansas. Something authentic, something that makes it the ideal place to live, to work, and raise a family. Thanks to the Kansas Rural Opportunity Program, there's never been a better time than now to make rural Kansas your new home!

If you are looking for a lower cost of living, better quality of life, and help repaying your student loans, Kansas is your best choice! Rural Opportunity Zones are 77 Counties that have been authorized to offer one or both of the following financial incentives to new full-time residents:

| | |
|--|---|
| 1 STATE INCOME TAX WAIVER Waives your state income tax for 5 years when you move to Kansas from another state. | 2 STUDENT LOAN FORGIVENESS Repays student loans up to \$15,000 over 5 years |
|--|---|

WHO'S ELIGIBLE?

STUDENT LOAN REPAYMENT

- Move to Montgomery County after July 1, 2014
- Hold an associates, bachelor's, or post-graduate degree PRIOR to moving to the ROZ County
- Have a Sponsor - Employers or the County can be a sponsor
- Have an outstanding student loan balance in applicant's name
- Ability to provide proof of: residency at current and previous addresses, Degree, and student loan balance with distribution dates.

KANSAS INCOME TAX WAIVERS

- Lived outside of Kansas for five or more years immediately prior to moving to a ROZ County
- Earned less than \$10,000 in Kansas source income in the 5 years prior to moving to ROZ County
- Moved to ROZ County on or after the county joined ROZ (July 1, 2014 for MG County)

Benefits of living in a Kansas ROZ:

- Student Loan Repayment Assistance
- State Income Tax Credit

History of ROZ in Kansas

Kansas currently has 95 counties designated as “Rural Opportunity Zones,” which means moving to these counties results in significant added benefits to new residents. ROZ offers one or both of the following financial incentives for new full-time residents in the form of a **100% state income tax credit** and/or **student loan repayment assistance**.

| 2011 | 2012 | 2014 | 2015 | 2017 | 2018 | 2019 | 2021 |
|--|--|------------------------------|---|-------------------|--|---|--|
| 50 ROZ Counties | 73 ROZ Counties | 77 ROZ Counties | 77 ROZ Counties | 77 ROZ Counties | 77 ROZ Counties | 77 ROZ Counties | 95 ROZ Counties |
| Program launch – initial counties designated | 23 new counties (32% increase). Employers allowed to sponsor employees with matching funds instead of county | 4 new counties (5% increase) | Sunset date extended 5 years from 2016 – 2021 | 69 counties (90%) | 75 counties (97%) participating in SLR program and 47 (61%) provide county sponsorship | ROZ budget cut from \$1.2M to \$950,000 | County eligibility established at populations at or under 40,000 increasing to 95 eligible counties and sunset date expanded to 2023 |

Definition of “Rural Opportunity Zone” to mean any county with a population of 40,000 persons or less

County Population qualification will be determined by the Certified Population published By KDOR in July prior to the program year

<https://budget.kansas.gov/population/>

July 2020 published CP determines Eligible Counties for Calendar year 2021

July 2021 published CP determines Eligible Counties for Calendar year 2022

ROZ 2021 New Counties

In 2021, 18 new counties now have a ROZ designation.

| New 2021 ROZ County | CY2020 Population | New 2021 ROZ County | CY2020 Population |
|---------------------|-------------------|---------------------|-------------------|
| Atchison | 16,073 | Geary | 31,670 |
| Barton | 25,779 | Harvey | 34,429 |
| Cowley | 34,908 | Jefferson | 19,043 |
| Crawford | 38,818 | Lyon | 33,195 |
| Dickinson | 18,466 | McPherson | 28,542 |
| Ellis | 28,553 | Miami | 34,237 |
| Finney | 36,467 | Osage | 15,949 |
| Ford | 33,619 | Pottawatomie | 24,383 |
| Franklin | 25,544 | Seward | 21,428 |

State Budget for student loan assistance distributions scheduled Oct/Nov 2021:

Grant: **\$700,000**

Allocated as of 5/25/2021: **\$482,417.82**

Remaining: **\$217,582.18**

ROZ – Financial Incentives

INCENTIVES



Let's take a deeper look at the financial incentives

100% State Income Tax Credit up to 5 year
and

Student Loan Repayment Assistance up to \$15,000

STATE INCOME TAX CREDIT

State Income Tax Waiver

- Administered by **Kansas Department of Revenue** (KDOR)
- Filed with state taxes; only eligible with online filing on KDOR website
- <https://www.ksrevenue.org/prtaxcredits-roz.html>



Eligibility for State Income Tax Credits

- Must have lived outside of Kansas for 5 or more years immediately prior to establishing **domicile*** in a ROZ
- Must have no more than \$10,000 in Kansas source income in each of those 5 years prior to establishing domicile
- Must establish domicile in one of the ROZ counties on or after the date the county was qualified for the program
- Must have lived in the ROZ county the entire taxable year to be able to claim the tax credit Jan. 1 to Dec. 31
- Must File State income taxes online at <https://www.kansas.gov/webfile/>

**Domicile shall mean that place in which a person's habitation is fixed, without any present intention of removal, and to which, whenever absent, that person intends to return.*

STUDENT LOAN REPAYMENT ASSISTANCE

Student Loan Repayment Assistance

- Administered By Kansas Department of Commerce (KDC)
- Partners with Counties and Employers
- www.kansascommerce.gov/roz



Incentive amount

- Distributions are up 20% of the qualified loans with a max benefit of \$3,000 once a year for 5 years totaling \$15,000

Funding

The State covers 50% of the yearly payment. This is funded through EDIF funds (Lottery)

Local Sponsors fund 50% of the yearly payment

- Sponsor annual financial contribution per participant max is \$1,500

STUDENT LOAN REPAYMENT ASSISTANCE

Student Loan Repayment Assistance Eligibility

- Establish **domicile*** in a ROZ County on or after the date on which the County opts-in to the student loan program
- Hold at least an Associate's degree prior to moving to the ROZ County
- Have an outstanding student loan balance related to qualifying degree, in applicant's name
- Ability to provide proof of residency at current and previous addresses, Proof of Degree, and Proof of student loan balance with distribution dates
- Must have a Local Sponsor to be funded



FUNDING SPONSOR TYPES

1. **County** – funds by budgeted Resolution due to the KDC by **January 31 annually** (first come-, first-served basis).
2. **City** - funds by budgeted Resolution due to KDC by **January 31** annually (first come-, first-served basis): No Resolution required if not directly funding sponsorship.
(2019 – 2 Cities have Sponsored)
3. **Employer** - funds by Sponsor Confirmation Agreement.
(2016 – 147 active sponsors)
4. **Foundations** - funds by Sponsor Confirmation Agreement.
(2019 - 2 current foundations)

Matching funds for all Sponsors are due to the State no later than September 30th year

NEW ONLINE Sponsor Match Digital Payment Portal.

ROZ Sponsors may submit their annual matching funds here via Electronic transfer or electronic check once they have received their invoice. Online portal is at www.kansascommerce.gov/roz

COUNTY PARTICIPATION INFORMATION

Counties must have a resolution to participate. **This is crucial! If a county does not submit a resolution, no Sponsor Entity in the County may use ROZ in that Calendar year.**

County Resolutions due date: January 31 (every year)

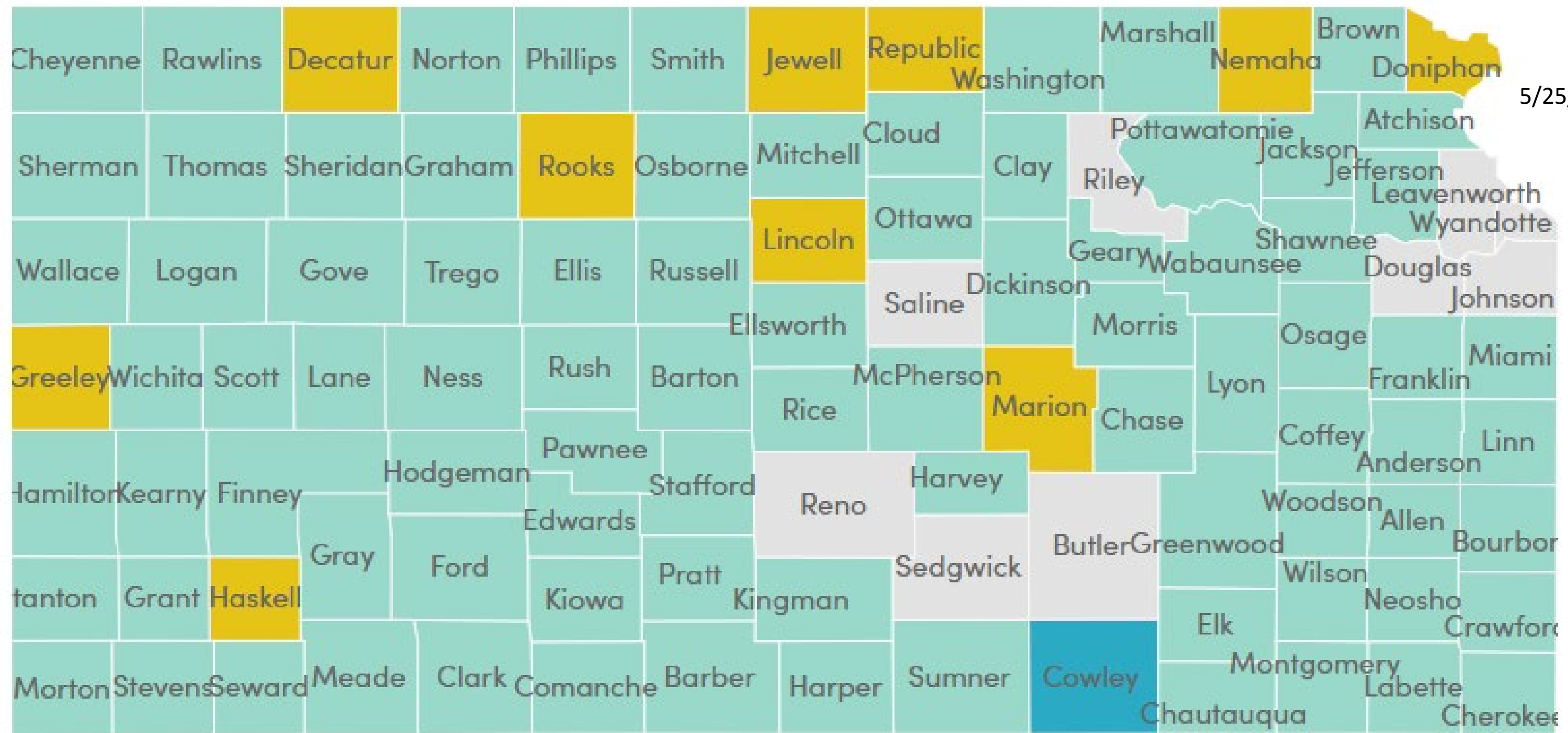
2021 Resolution Due Date: **June 30, 2021**

New Counties: Along with the Resolution, send the name, email and phone number of the person County Leadership has designated as the ROZ contact for the County. This person will receive reports and invoices for the County.

Send Resolutions and County Leadership information to Rachell.Rowand@ks.gov

If Applicants have questions, please direct them to email KDC_ROZ@ks.gov

2021 ROZ Resolutions Received



Not ROZ

County supports the Student Loan program

City, Employer, and Foundation Sponsorships only

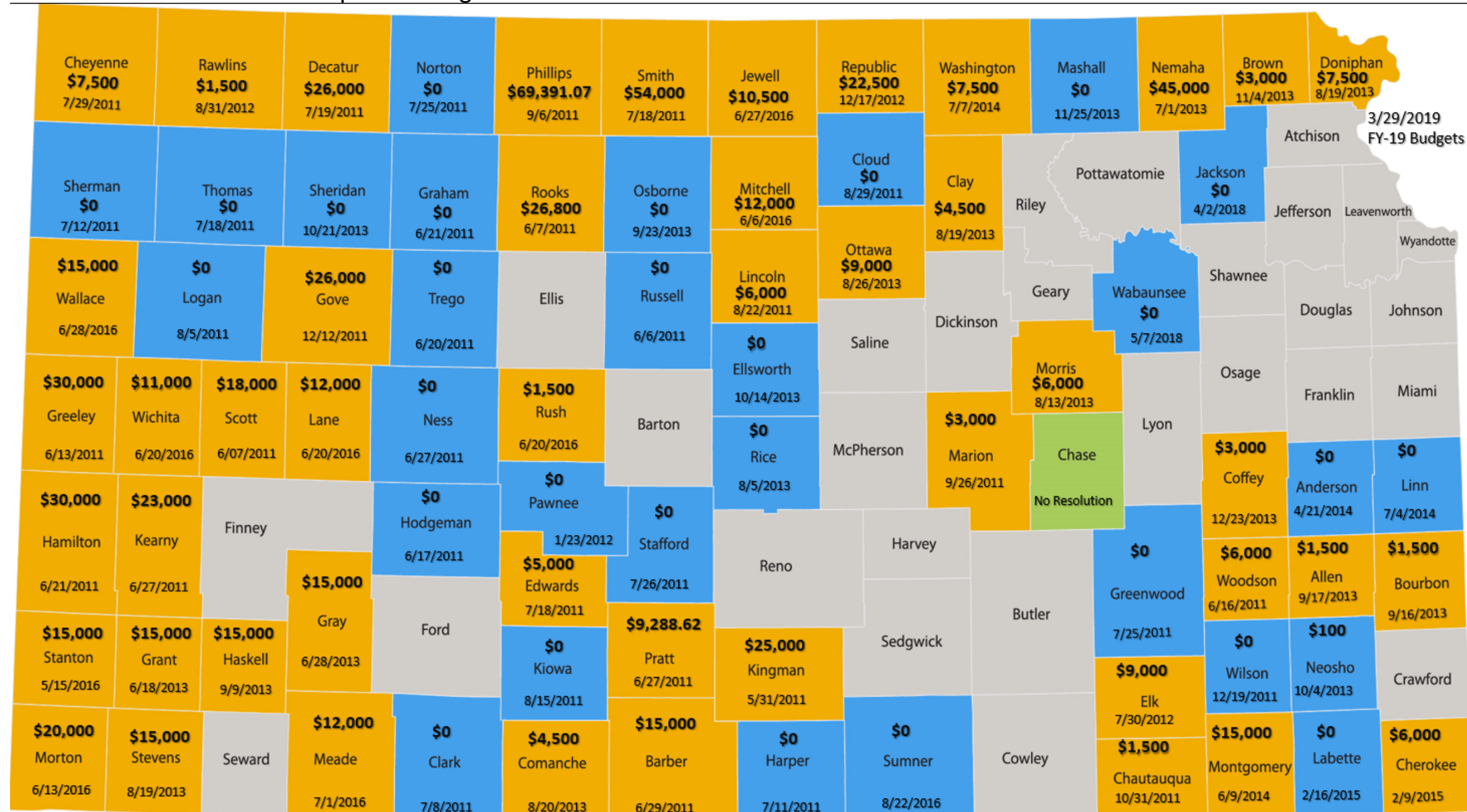
Does not Support Student Loan Program for 2021

2019 County Funding Levels

Is there an average dollar amount you see from counties toward this program?

To be honest each region is different when it come to funding the program

Here is a map of funding levels in 2019.



Prosperity for Rural Kansans

Professions of All Applicants for Student Loan Repayment Assistance as of 10/1/2020



Health Care



Financial Planning



Environmental Conservation



Community Service



Entertainment



Education



Professional Services

| | | | |
|-------------------------|------|--------------------------|----|
| Education | 1042 | Communications/Marketing | 51 |
| Healthcare | 949 | Religious | 48 |
| Agriculture | 334 | Sales | 46 |
| Social Worker | 214 | Utility | 44 |
| Finance | 165 | Artist | 42 |
| Engineer | 161 | Information Technology | 42 |
| Accounting | 147 | Mechanic | 33 |
| Legal | 107 | Home Maker | 30 |
| Retail | 94 | Administrative Assistant | 23 |
| Business Administration | 89 | Construction | 22 |
| Manufacturing | 70 | Human Resources | 22 |
| Personal Care Services | 68 | Law Enforcement | 20 |
| Animal Health | 59 | Student | 16 |

THANK YOU

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www.KansasCommerce.gov

