

# RURAL OPPORTUNITY ZONES

Student Loan Repayment  
Program & Tax Credits

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**KANSAS**  
**OFFICE OF RURAL PROSPERITY**

# What is a **Rural Opportunity Zone**?

- **Rural Opportunity Zones** in Kansas are different from Federal Opportunity Zones. In Kansas, ROZ's are defined as counties with a population **under 40,000**.
- **95** out of 105 counties in Kansas are classified as ROZ in 2023.
- Our current ROZ map is located on our [website](#), and it shows all eligible and participating counties and cities in the state.

# Brief History of ROZ in Kansas

Rural Opportunity Zones were introduced in Kansas in 2011, with 50 counties initially being designated as ROZ counties, based on percentage of population loss. The program has undergone some changes in the last decade, and as of today, Kansas has 95 counties designated as Rural Opportunity Zones. These are all counties under 40,000 population.

2011	2012	2014	2015	2017	2018	2019	2021	2022
50 ROZ Counties	73 ROZ Counties	77 ROZ Counties	77 ROZ Counties	77 ROZ Counties	77 ROZ Counties	77 ROZ Counties	95 ROZ Counties	95 ROZ Counties
Program launch – initial counties designated	23 new counties (32% increase). Employers allowed to sponsor employees with matching funds	4 new counties (5% increase)	Sunset date extended 5 years from 2016 to 2021	69 counties (90%) opted participated	75 counties (97%) participating in SLR program and 47 (61%) provide county sponsorship	ROZ budget reduced 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	Sunset date expanded to 2026  Program moved into the Office of Rural Prosperity

# What is the **ROZ Program**?

- The ROZ Program is a two-part program. KDC administers the Rural Opportunity Zones Student Loan Repayment Assistance Program. This program helps qualifying applicants to repay **up to \$15,000** on their student loans over the course of 5 years when they establish a permanent residence in a ROZ county.
- KDOR administers the tax portion of the program. For new or returning residents to rural Kansas, the program offers a 5-year personal state income tax credit.

# State Income Tax Credit

- 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 Credit

- Must have lived outside of Kansas for 5 or more years immediately prior to establishing your permanent residence in a ROZ county. This is also referred to as your *domicile*\*.
- Must have no more than \$10,000 in Kansas source income in each of those 5 years prior to establishing residence
- Must establish residence in one of the ROZ counties on or after the date the county was qualified
- 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/>
- If an individual establishes their domicile in a rural opportunity zone after January 1, 2019, the number of years for which they can claim the credit will be reduced.
- The last opportunity to claim the credit will be on the individual's 2026 tax year return, which will be filed in 2027.

*\*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

## How does it work?

- Each qualifying participant may receive up to \$15,000 from the state and a local sponsor over 5 years to help pay for their student loans. (\$3000/year)
- Distributions are made annually at the end of the year.
- Participants are required to annually recertify that they live in the same county in which they were approved. (Attestation period)
- Each participant must have a local sponsor to receive payments; this can be a county, city, foundation or employer.
- KDC and the local sponsor will split the award amount and pay it each year.
- Maximum sponsor payment annually is \$1500 per participant.

# Student Loan Repayment Assistance

## Participant Eligibility:

- Move to a ROZ County on or after the date that the County is designated as ROZ
- County must be opted-in to the student loan program (by resolution each year)
- Hold at least an Associate degree **prior** to moving to the ROZ County
- Have an outstanding student loan balance related to the qualifying degree
- Provide proof of residency for current and previous addresses, proof of degree, current driver's license or government issued ID, and proof of student loan balance with distribution dates

# Student Loan Repayment Assistance

## How to Apply:

- Apply online through our [ROZ Portal](#)
- Upload all documentation through the portal
- Log in any time to check the status of your application
- You can save and come back to the application any time
- Any issues or questions should be directed to [KDC ROZ@ks.gov](mailto:KDC_ROZ@ks.gov)



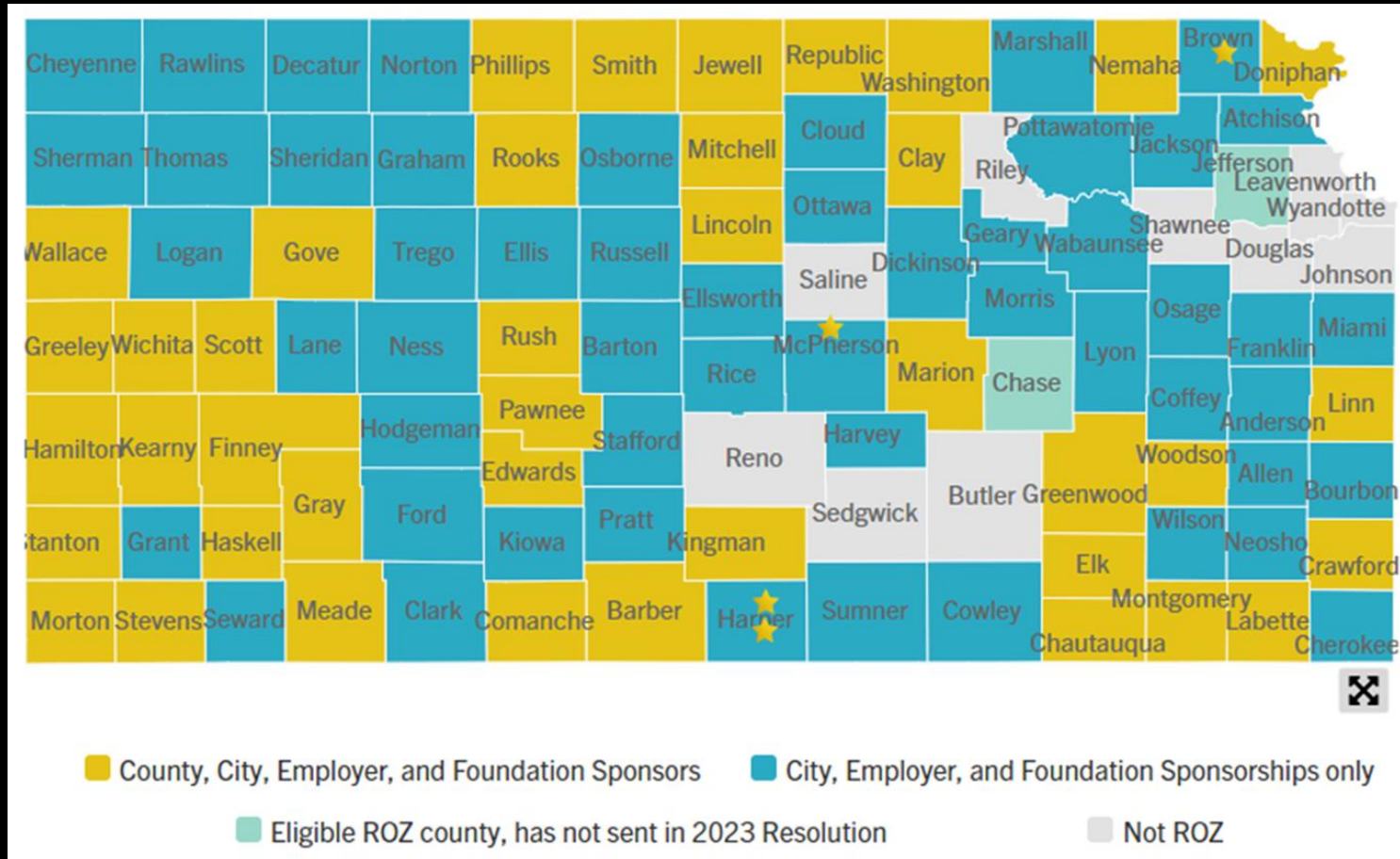
# Local Sponsor Types

1. County
  - Funds are provided by a budgeted Resolution due to ORP by January 31
  - Annual renewal
  - Participants are funded on a first come- first-served basis
  - County MUST participate at even a \$0 funding level for all other sponsors to be eligible to participate
2. City
  - Funds are provided by a budgeted Resolution due to ORP by January 31
  - Annual renewal
  - Participants are funded on a first come- first-served basis
  - 2023 – 4 Cities are Sponsors
3. Employer
  - Funds by Sponsor Confirmation Agreement (on ROZ Website)
  - 2023 – 38 active employer sponsors
4. Foundations/Non-Profits/Economic Development Organizations
  - Funds by Sponsor Confirmation Agreement
  - 2023 - 3 current foundations

# County Participation in ROZ

- In order to participate in the student loan repayment ROZ program, a county *must* "opt-in" every year by submitting a resolution.
- If a county does not submit a resolution, that means that no other entity in that county can sponsor either.
- Counties do not have to fund the program, but they do have to opt in.
- In 2023, 93 out of 95 counties submitted a ROZ Resolution
- Only 40 of those counties are funding the program as Sponsors

# 2023 ROZ Participation



# Sponsor Information

## How to be a Sponsor

- Sign up through our [ROZ Portal](#). You will need the following information:
  - ✓ The participant's ROZ ID-get this from the applicant
  - ✓ Business or Organization EIN
  - ✓ Primary contact information for Employer or Sponsor
- If the applicant is approved to receive payment, you will receive notice.
- Invoices are sent to Sponsors beginning in October. We must receive the sponsor payment before we can issue payment to the participant. Invoices can be paid online via credit card, electronic check, or ACH on our [Sponsor Payment Portal](#). We also still accept paper checks, but it is not preferred.
- Participant payments are issued in November and December; this award is subject to tax, so payments are ideally all sent prior to January.

# ROZ Annual Timeline

<b>January 1</b>	ROZ Applications open
<b>January 31</b>	County Resolutions due to be a ROZ county (annual)
<b>July 15</b>	Proof of residency (Attestation) portal opens for ROZ participants
<b>August 31</b>	Proof of Residency Portal Closes – <u>(If a participant fails to complete this, they will be removed from the program)</u>
<b>September 30</b>	Portal for new applications closes
<b>October/November</b>	Invoices sent to Sponsors, Payments received, Distributions begin
<b>December 1</b>	ROZ Resolutions and County Reports are sent to Counties for next year ROZ program.

# How can **we use it?**

- ROZ can be a useful **workforce recruitment tool** for employers and economic developers. It's an incentive that isn't a one-time lump sum, but a **5-year long program** that encourages new residents to stay and engage in their community.
- ROZ can help fill **critical jobs for your region** and high-demand occupations that require higher education.
- Critical jobs differ from region to region –with ROZ, you can tailor your recruitment efforts towards specific industries by **encouraging employers and foundations** to become sponsors.
- County and City Economic Development professionals can use the program to **recruit new residents**.
- Real estate agents can refer the program to **potential homebuyers** looking in their area as an additional incentive to move to certain areas (and purchase their listing of course!)
- KDC has [marketing materials](#) available to help promote the program, and we can also develop more individually tailored materials to fit your needs.

# New Marketing Sample, front & back



## Recruit top talent.

## Become a ROZ sponsor.



**KANSAS**  
COMMERCE



## Kansas Rural Opportunity Zones

Kansas is filled with the natural beauty, simplicity and communal bonds of rural life. We want you to experience the peace and joy of rural Kansas so much that we'll even throw in some added bonuses.

The state of Kansas has designated 95 counties as "Rural Opportunity Zones," which means moving there comes with significant added benefits. Designated counties offer one or both of the following financial incentives for new full-time residents:

**Student Loan Repayment Assistance**

**100% Personal State Income Tax Credit**

### Student Loan Repayment Assistance

- Administered By Kansas Department of Commerce (KDC)
- Partners with Counties, Cities, Employers, and Foundations
- Provides up to \$15,000 in Student Loan Repayment Assistance over 5 years

**Eligibility Requirements**

- You must have a newly established permanent address in a participating county so long as that address was established after the county began participating in the program.
- Applicants must have an active student loan balance in their name, as well as an associate's, bachelor's or post-graduate degree prior to moving to the participating county.
- To apply, you will need to provide proof of domicile in the ROZ County, proof of previous permanent residency, transcripts with degree dates and student loan balance with distribution dates.



[kansascommerce.gov/roz](http://kansascommerce.gov/roz)

### 100% Personal State Income Tax Credit

Are you thinking about moving to Kansas, or have you recently become a resident?

New residents to Kansas who move into one of our Rural Opportunity Zones may be eligible for a 100% personal state income tax credit!

Learn more about the ROZ Tax Credit at: [ksrevenue.gov/prtaxcredits-roz.html](http://ksrevenue.gov/prtaxcredits-roz.html)  
Email: [kdor\\_tac@ks.gov](mailto:kdor_tac@ks.gov)



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# High-Demand Occupations

Projection Region	Number of Survey Respondents	Total Number of Survey Respondents in High-Demand Occupations
North Central	68	66
Northeast	52	48
Northwest	141	134
South Central	14	9
Southeast	23	21
Southwest	72	58
Kansas Statewide	370	267

Table: Total Number of ROZ Participants Employed in High-Demand Occupations  
Source: Author's Calculations using occupation data

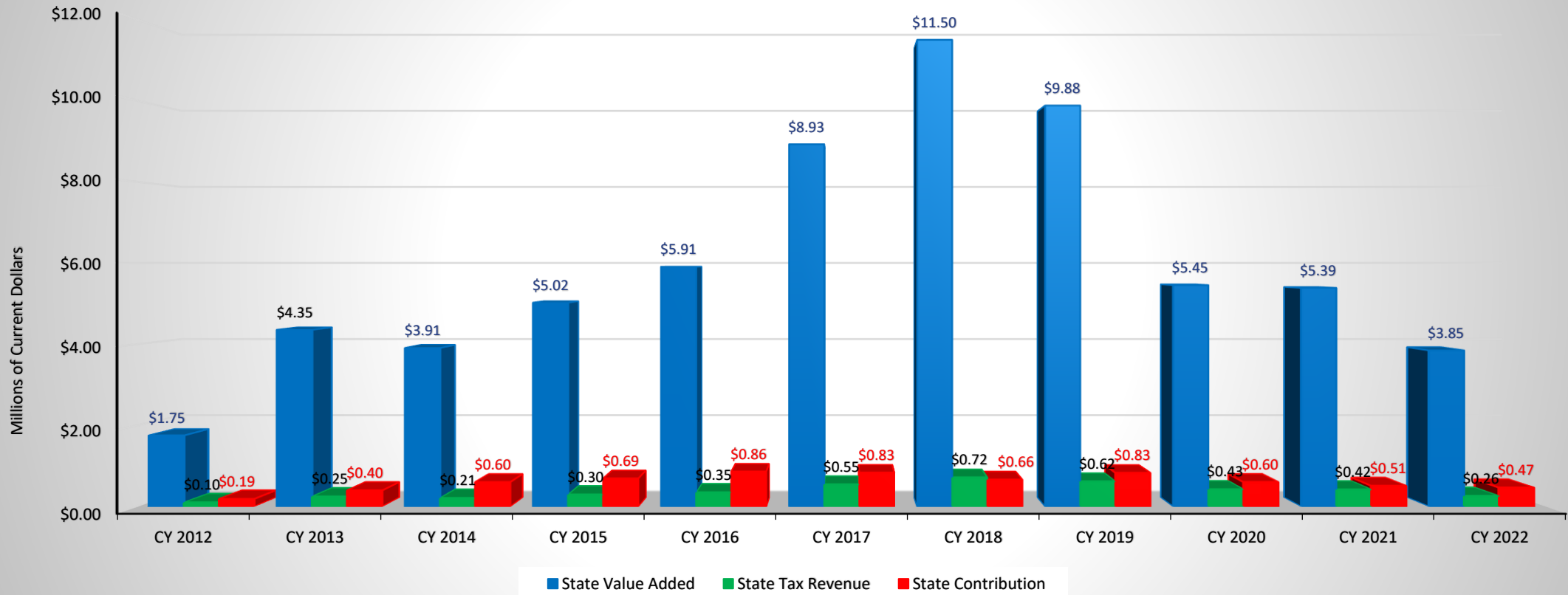
Based on each Regions' 2022 High Demand Occupations lists, 336 out of 370 ROZ participants (90%) are employed in high-demand occupations in their projection regions.

Based on the 2022 Statewide high-demand occupation list, 267 out of 370 ROZ participants (72%) are employed in high-demand occupations.



# Economic Impact of ROZ

Figure 1: Economic and Fiscal Impacts and State Spending on Student Loan Assistance



# Questions?

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