

Rural Opportunity Zones

2021 ANNUAL REPORT

JANUARY 2022



The Rural Opportunity Zone (ROZ)

The Rural Opportunity Zone (ROZ) Program was introduced in 2012. The main goal of the program was to attract residents and businesses to rural areas where population losses have been the steepest. It includes two individual financial incentives that are funded through a single appropriation of \$5 million, however they maintain separate eligibility requirements. The program was initially targeted to 50 counties, although it has been expanded in recent years to include 95 counties.

The program consists of two components: (1) a state income tax waiver and (2) student loan repayment assistance, both of which are available for up to five years. In 2021, 77 of the 95 counties offer student loan repayment assistance, and 18 counties only offer the income tax waiver component.

INCOME TAX WAIVER

The five-year state income tax waiver aims to relieve some of the costs associated with an interstate move, such as obtaining a new driver's license, registering and insuring an automobile, paying required deposits for rent and utilities and finding new health care providers, among other things. The tax waiver component of the ROZ program provides a waiver for 100 percent of the participant's state income tax liability for up to five years.

To qualify for the state income tax waiver, the applicant must meet the following criteria:

- Establish domicile in a ROZ county on or after the date the county was included in the program
- Lived outside the State of Kansas for at least five years prior to establishing domicile in the ROZ county
- Earned less than \$10,000 in Kansas-source income in each of the five years immediately prior to establishing domicile in the ROZ county
- Reside in the county from January 1st to December 31st of the year the waiver is requested

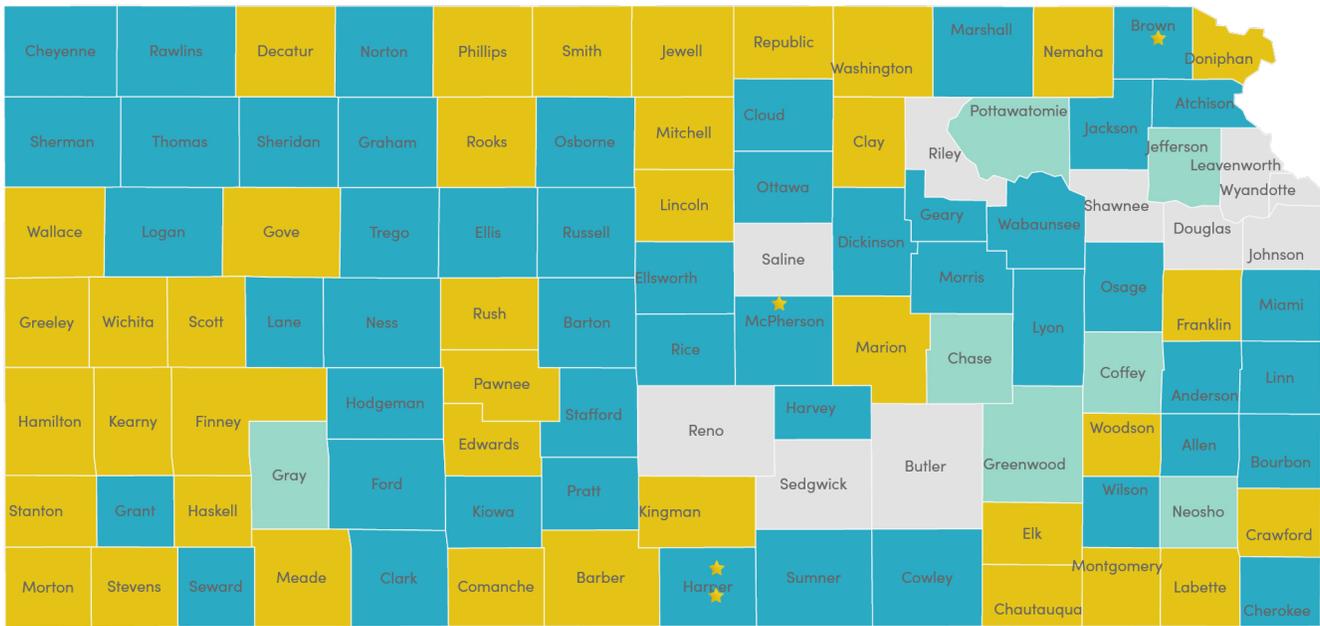
STUDENT LOAN REPAYMENT ASSISTANCE

The student loan repayment assistance component of the program aims to help rural businesses and communities recruit people with higher educations and a broader range of skills to fill positions within the area. By partnering with business and county sponsors, Kansas offers eligible individuals up to \$3,000 per year, for five years to apply toward their student loans. If an individual's loan balance is less than \$15,000, she/he receives 20 percent of the loan balance paid each year for 5 years. For example, a person with \$10,000 in student loan debt would receive \$2,000 per year, for five years.

To qualify for student loan repayment assistance, an applicant must meet the following criteria:

- Establish domicile in a ROZ county after July 1, 2011, and on/after the date on which the county opted in to the student loan program
- Hold an associate, bachelor's, or postgraduate degree prior to moving to a ROZ county
- Have an outstanding student loan balance in applicant's name
- Be able to provide proof of residency at current and previous addresses, proof of degree, proof of student loan balance with distribution dates, and a Kansas Tax Clearance Certificate
- Have a county or employer sponsor. An applicant must have a sponsor to receive funding from the state.

TAX YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	
FILERS	104	259	342	420	492	524	503	497	481	TOTAL
CREDIT ALLOWED	\$263,660	\$575,331	\$968,896	\$1,289,433	\$1,344,639	\$1,731,122	\$1,929,079	\$1,960,796	\$1,810,423	\$11,873,379



Not a ROZ County
 Funds Student Loan Program, Eligible for Income Tax Credit
 City/County Sponsorships

City, Employer, Foundation Sponsorship for Student Loan, Eligible for Income Tax Credit
 No Student Loan Assistance, Eligible for Income Tax Credit

4,220

TOTAL APPLICATIONS

1,874

STUDENT LOAN PARTICIPANTS ALL TIME

370

CURRENTLY ACTIVE

463

COMPLETED 5 YEARS

533

WITHDREW - NEVER FUNDED

74

WITHDREW - PAID LOANS OFF EARLY

437

DISQUALIFIED

148

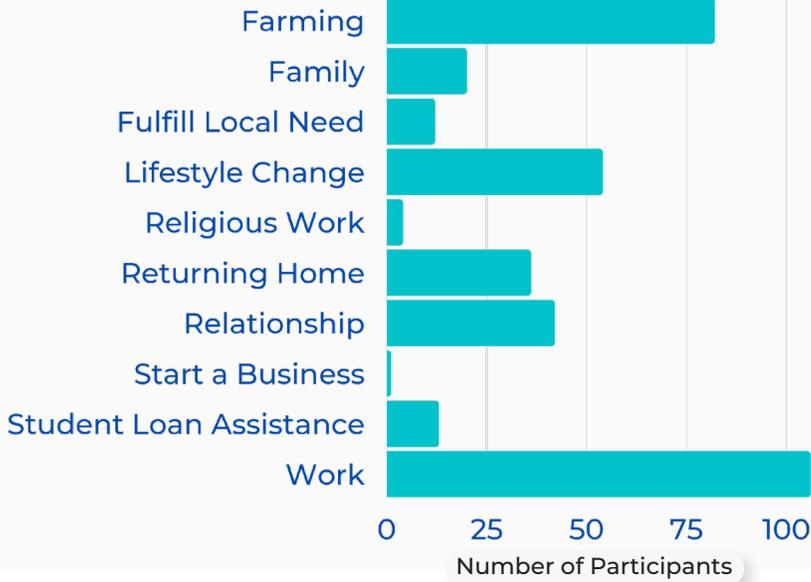
WAITING FOR SPONSOR

77

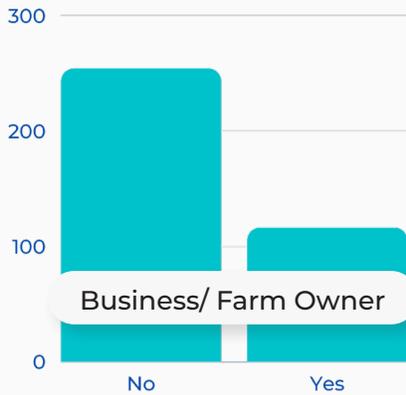
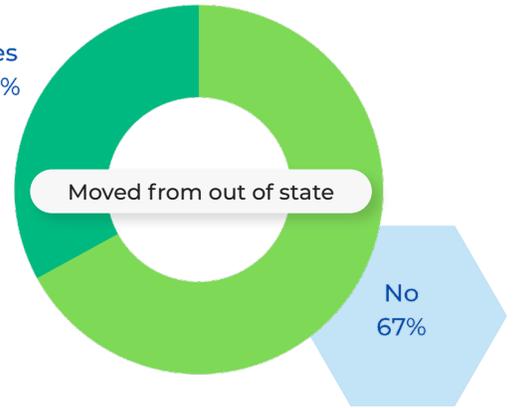
COUNTIES ACTIVELY PARTICIPATING IN STUDENT LOANS

A Closer Look at Our Survey Participants

Primary reason for moving to a Rural Opportunity Zone



Yes
33%



Born in Kansas?

70.8%
Yes

29.2%
No

Previous Kansas Resident?

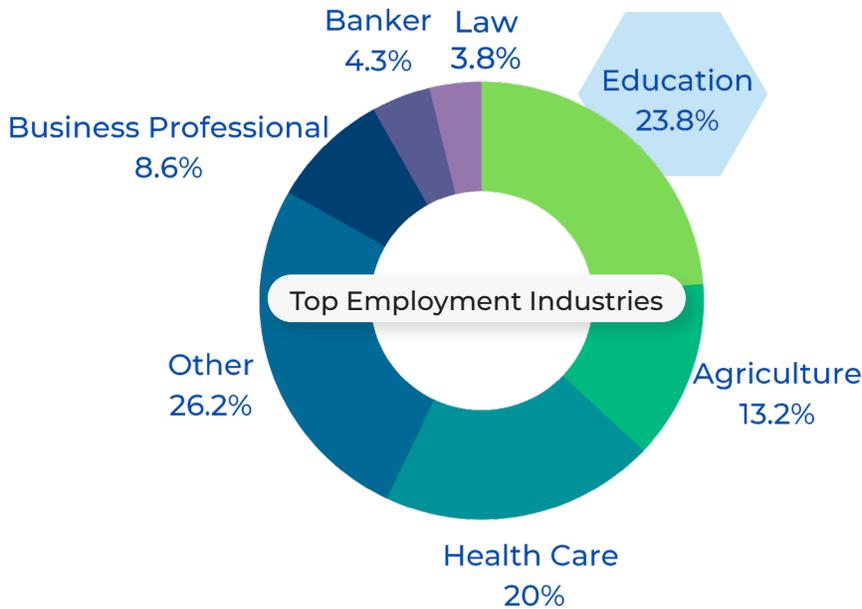
70.5%
Yes

29.5%
No

Attended a Kansas College

68.9%
Yes

31.1%
No



No
16.2%

