As Amended by Senate Committee

Session of 2026

HOUSE BILL No. 2466

By Committee on Commerce, Labor and Economic Development

Requested by Rachel Willis on behalf of the Department of Commerce

1-15

AN ACT concerning economic development; relating to income tax credit incentives; extending the sunset for the angel investor tax credit to ~~2031~~ ***2029; providing for a minimum amount of credits for investors in qualified Kansas businesses located in counties with a population of 50,000 or fewer;*** amending K.S.A. 2025 Supp. 74-8133 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2025 Supp. 74-8133 is hereby amended to read as follows: 74-8133. (a) A credit against the tax imposed by article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, on the Kansas taxable income of an angel investor and against the tax imposed by K.S.A. 40-252, and amendments thereto, shall be allowed for a cash investment in the qualified securities of a qualified Kansas business. For tax year 2021 and all tax years thereafter, the credit shall be in a total amount of up to 50% of such investors' cash investment in any qualified Kansas business, subject to the limitations set forth in subsection (b). ~~This~~ *Such* tax credit may be used in its entirety in the taxable year in which the cash investment is made*,* except that no tax credit shall be allowed in a year prior to January 1, 2005. If the amount by which that portion of the credit allowed by this section exceeds the investors' liability in any one taxable year, beginning in the year 2005, the remaining portion of the credit may be carried forward until the total amount of the credit is used. If the investor is a permitted entity investor, the credit provided by this section shall be claimed by the owners of the permitted entity investor in proportion to their ownership share of the permitted entity investor.

(b) For tax year 2021 and all tax years thereafter, the secretary of revenue shall not allow tax credits of more than $100,000 for a single Kansas business or a total of $350,000 in tax credits for a single year per investor who is a natural person or owner of a permitted entity investor. No tax credits authorized by this act shall be allowed for any cash investments in qualified securities for any year after the year ~~2026~~ ***2031 2029***. The total amount of tax credits that may be allowed under this section shall not exceed:

(1) $4,000,000 during the tax year 2007;

(2) $6,000,000 for tax years 2008 through 2010 and 2012 through 2022, except that for tax year 2011, the total amount of tax credits that may be allowed under this section shall not exceed $5,000,000;

(3) $6,500,000 for tax year 2023;

(4) $7,000,000 for tax year 2024;

(5) $7,500,000 for tax year 2025; and

(6) $8,000,000 for tax year 2026 *and for each succeeding tax year through tax year ~~2031~~* ***2029***.

The balance of unissued tax credits may be carried over for issuance in future years until tax year ~~2026~~ *~~2031~~* ***2029***.

For tax year 2027 and all tax years thereafter, at least 25% of the total amount of tax credits that may be allowed each tax year shall be utilized for investors investing in qualified Kansas businesses located in counties with a population of 50,000 or fewer, in years that the number of requests is sufficient to allow such distribution of tax credits. Such determination of whether there are sufficient requests shall be made based on the requests received on or before December 10 of each year.

(c) A cash investment in a qualified security shall be deemed to have been made on the date of acquisition of the qualified security, as such date is determined in accordance with the provisions of the internal revenue code.

(d) Any investor without a current tax liability at the time of the investment in a qualified Kansas business~~,~~ who does not reasonably believe that ~~it~~ *such investor* will owe any such tax for the current taxable year and who makes a cash investment in a qualified security of a qualified Kansas business shall be deemed to acquire an interest in the nature of a transferable credit limited, for tax year 2021 and all tax years thereafter, to an amount *of* up to 50% of ~~this~~ *such* cash investment. ~~This~~ *The* interest may be transferred to any natural person*,* whether or not such person is then an investor*,* and be claimed by the transferee as a credit against the transferee's Kansas income tax liability beginning in the year provided in subsection (a). No person shall be entitled to a refund for the interest created under this section. Only the full credit for any one investment may be transferred*,* and ~~this~~ *such* interest may only be transferred one time. A credit acquired by transfer shall be subject to the limitations prescribed in this section. Documentation of any credit acquired by transfer shall be provided by the investor in the manner required by the director of taxation.

(e) The reasonable costs of the administration of this act, the review of applications for certification as qualified Kansas businesses and the issuance of tax credits authorized by this act shall be reimbursed through fees paid by the qualified Kansas businesses and the investors or the transferees of investors, according to a reasonable fee schedule adopted by the secretary by rules and regulations in accordance with the rules and

regulations filing act.

Sec. 2. K.S.A. 2025 Supp. 74-8133 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.