As Amended by Senate Committee

As Amended by House Committee

Session of 2026

HOUSE BILL No. 2468

By Committee on Education

Requested by Representative Estes

1-16

AN ACT concerning education; relating to federal tax credits for contributions to scholarship granting organizations; electing to participate in the federal tax credit for individual contributions to scholarship granting organizations; relating to the tax credit for low income students scholarship program; increasing the aggregate tax credit limit; amending K.S.A. 2025 Supp. 72-4357 and repealing the existing section.

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

New Section 1. The state of Kansas hereby elects to participate in the federal tax credit for contributions of individuals to scholarship granting organizations pursuant to section 25F of the federal internal revenue code of 1986, as amended, for all taxable years beginning after December 31, 2026. On behalf of the state of Kansas and in accordance with section 25F of the federal internal revenue code of 1986, as amended, the state treasurer shall annually provide to the secretary of the treasury or the secretary's delegate any required information, including, but not limited to, a list of the scholarship granting organizations that meet the requirements described in section 25F of the federal internal revenue code of 1986, as amended, and are located in the state of Kansas. **No state department, division or any other agency shall promulgate any rules and regulations that are more stringent than the applicable federal law or rules and regulations in implementing this section.**

Sec. 2. K.S.A. 2025 Supp. 72-4357 is hereby amended to read as follows: 72-4357. (a) (1) ~~There shall be allowed a credit against the corporate income tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax liability imposed upon a taxpayer pursuant to the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and the premium tax liability imposed upon a taxpayer pursuant to the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto,~~

~~for tax years commencing after December 31, 2014, and ending before January 1, 2017, an amount equal to 70% of the amount contributed to a scholarship granting organization authorized pursuant to K.S.A. 72-4351 et seq., and amendments thereto.~~

~~(2)~~ There shall be allowed a credit against the tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax liability imposed upon a taxpayer pursuant to the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and the premium tax liability imposed upon a taxpayer pursuant to the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto:

(A) For tax years commencing after December 31, 2016, and ending before January 1, ~~2022~~ *2023*, an amount equal to 70% of the amount contributed to a scholarship granting organization authorized pursuant to K.S.A. 72-4351 et seq., and amendments thereto; and

(B) for tax years commencing after December 31, 2022, an amount equal to 75% of the amount contributed to a scholarship granting organization authorized pursuant to K.S.A. 72-4351 et seq., and amendments thereto.

~~(3)~~*(2)* In no event shall the total amount of contributions for any taxpayer allowed under this subsection exceed $500,000 for any tax year.

(b) The credit shall be claimed and deducted from the taxpayer's tax liability during the tax year in which the contribution was made to any such scholarship granting organization.

(c) *(1)* ~~*Except as otherwise provided in this subsection,*~~ For *tax year 2026 and* each tax year *thereafter*, ~~in no event shall~~ the total amount of credits allowed under this section *shall not* exceed ~~$10,000,000~~ *$20,000,000* for any one tax year.

(2) ~~*In each tax year commencing after December 31, 2026, the secretary shall determine whether the total amount of credits claimed pursuant to this subsection exceeds 75% of the aggregate credit limit established pursuant to this subsection. If the secretary determines that the total amount of credits claimed exceeds 75% of the aggregate credit limit, such aggregate credit limit shall be increased by 25% for the succeeding tax year, except that in no event shall such aggregate credit limit exceed $30,000,000.*~~

~~*(3)*~~ **On January 15, 2027, and each January 15 thereafter, the secretary shall submit a report to the legislature on the aggregate amount of credits claimed during the immediately preceding tax year ~~and the limit on such credits for the current year~~.**

~~(4)~~*(3)* Except as otherwise provided, the allocation of such tax credits

for each scholarship granting organization shall be determined by the scholarship granting organization in consultation with the secretary, and such determination shall be completed prior to the issuance of any tax credits pursuant to this section.

(d) If the amount of any such tax credit claimed by a taxpayer exceeds the taxpayer's income, privilege or premium tax liability, such excess amount may be carried over for deduction from the taxpayer's income, privilege or premium tax liability in the next succeeding year or years until the total amount of the credit has been deducted from tax liability.

(e) The secretary shall adopt rules and regulations regarding filing of documents that support the amount of credit claimed pursuant to this section.

Sec. 3. K.S.A. 2025 Supp. 72-4357 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.