

Revised
SESSION OF 2002

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2569

As Amended by Senate Committee on
Assessment and Taxation

Brief*

HB 2569, as amended, would authorize nonrefundable income, premiums, and privilege tax credits beginning in tax year 2002 equal to 66.67 percent of amounts donated to the Kansas Regents Foundation.

KSA 2001 Supp. 79-32, 117 would be amended to require income taxpayers to add back to federal adjusted gross income any such amounts donated to the extent they have been claimed as the basis for the new credit. (This effectively prohibits income taxpayers from receiving a state deduction as well as a credit for the donations.)

A final provision would require that the total amount appropriated to the State Board of Regents for the fiscal year next following the taxable year for which any credit is allowed be reduced by the total amount of such credit.

Background

The original bill would have limited the amount of credits claimed in a given fiscal year to \$10 million. The House Taxation Committee struck that limitation and inserted the provision seeking to reduce appropriations to the State Board of Regents by the amount of credit claimed for the prior tax year.

Based on the latest fiscal information, the bill would be expected to reduce State General Fund receipts by \$5.55 million in FY 2003. Appropriations to the State Board of Regents would be required to be reduced by the amount of credits claimed beginning in FY 2004.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.ink.org/public/legislative/fulltext.cgi>

The Senate Committee amended the bill to update statutory references and advance the effective date to tax year 2002.