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MEMORANDUM

To: Chairperson Estes
Members of the House Committee on Education

From: The Office of Revisor of Statutes

Date: February 5, 2025

Subject: HB 2136 – Expanding student eligibility under the tax credit for low income students scholarship program, increasing the amount of the tax credit for contributions made pursuant to such program and providing for aggregate tax credit limit increases under certain conditions.

House Bill No. 2136 (HB 2136) would amend the Tax Credit for Low Income Students Scholarship Program Act. The amendments would expand the eligibility criteria for students to participate and increase both the individual tax credit amount for contributions to a scholarship granting organization and the aggregate annual limit on such tax credits. Under current law, to be eligible to participate a student must be entering kindergarten or eligible to be enrolled in kindergarten or grades 1-8, and have an annual family income that is less than or equal to 250% of the federal poverty level. Students who have already received a scholarship under the program continue to be eligible regardless of their grade level.

HB 2136 would maintain the low income eligibility criteria for students wishing to participate and receive a scholarship under the program. The bill would add the following eligibility criteria for students who do not satisfy the low income requirements:

- Any student placed in foster care or kinship care at any time prior to graduation or reaching age 21;
- Any student with a parent on active duty in the military or who was killed in the line of duty; and
- Any student with a parent who is an emergency medical service provider, firefighter, or law enforcement officer.

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Under current law, a taxpayer making a contribution to a scholarship granting organization would be able to claim 75% of such contribution as a tax credit. HB 2136 increases the tax credit percentage to 100% for all tax years beginning January 1, 2025.

Finally, the annual aggregate limit on tax credits allows under the program is \$10 million. Hb 2136 would provide for this amount to increase by 25% in the next tax year if the aggregate amount of tax credits in the current tax year exceeded 75% of the annual limit. This potential increase would continue to apply in future tax years as well. However, HB 2136 ultimately limits the aggregate annual tax credits allows to \$20 million.

If enacted, HB 2136 would become effective on publication in the Kansas Register.