



...inspiring healthy communities

Greater Manhattan Community Foundation

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February 4, 2025

Members of the House Committee on Taxation
Kansas State Capitol
Room 346-S
Topeka, Kansas

RE: House Bill 2208

Mr. Chairman and Members of the Committee:

This letter pertains to HB 2208 concerning taxation; relating to income and privilege tax credits. This bill enacts the Endow Kansas Tax Credit Act, establishing a tax credit for endowment gifts to certain endowment funds held by qualified community foundations.

The Greater Manhattan Community Foundation, and its twenty affiliate partners in Northeast Kansas, are known for building relationships for the purpose of promoting community philanthropy. Our vision is to enhance quality of life through philanthropic giving and to inspire philanthropy in our communities.

Community foundations provide a vital role in preserving the vitality and quality of life in all our communities—but most certainly our ruralist of communities. Our mission statement is: *To Build Relationship between Donors and Community Needs*. I believe community foundations will be one of the most important factors to save our rural communities. Community foundations attract community leaders who join to invest in key community priorities, including childcare, economic opportunity, education, health, housing, and workforce development.

Kansas community foundations cover nearly every county in Kansas, and the family of foundations in the Greater Manhattan Community Foundation cover thirteen counties in Northeast Kansas. Each of these foundations has a goal to build endowments that will provide sustainability for their communities. They offer grants to local non-profit organizations, which relieves stress on government support, and they promote philanthropy through strong community leadership.

On behalf of the Greater Manhattan Community Foundation, its trustees, board members, staff, and partners, I strongly request your support for the **Endow Kansas Tax Credit Act**. This bill will create an income tax credit for individuals who contribute to an unrestricted or field-of-interest endowment fund managed by a qualified community foundation in Kansas. By adopting

this tax credit, the state will provide significant momentum for endowment building, benefitting Kansas for generations, particularly its rural communities.

This act will maximize and leverage the impact of private funds, ensure that wealth transfer of Kansans will benefit local communities, inspire new giving for both today and future generations, inspire local leadership dedicated to community growth, and position community foundations as champions of philanthropy.

It is well documented that providing a tax credit incentive to promote giving to endowments work. For example, The Endow Iowa tax credit has increased giving to permanent endowments by more than 200%. Illinois, Kentucky, Maryland, Mississippi, Montana, and North Dakota have similar tax credits.

The inspiration of community foundations was founded on the principles of retaining wealth in Kansas. After research by the Kansas Health Foundation, a marketing campaign titled "Keep Five in Kansas" was initiated to retain 5% of all funds in the state that might otherwise leave and provide no impact for Kansas communities. Research has shown that capturing just 5% of this wealth transfer for community foundation endowments by 2035 could result in a \$18 billion boost to local economies and initiatives. Expanding their research to fifty years projects a \$54 billion number for our communities.

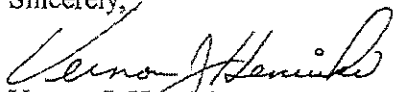
It's exciting to dream about the affect a bill like HB 2208 could have on the state of Kansas. The impact this bill will have to inspire donors to keep their funds in Kansas is enormous. It will certainly provide for healthy communities for our future Kansans. The impact is exciting to imagine.

Development professionals recognize that incentives encourage charitable giving. Unrestricted gifts are always the hardest to secure but are valuable to any organization in meeting ever-changing community needs. The opportunity to incentivize prospective donors with tax credits could be a tremendous benefit.

In summary, I urge you to consider the significant positive impact that approving HB 2208 will have across the state. Leveraging these incentives will enable community foundations to maximize their partnerships and will release tremendous pressure from our tax system.

Please give serious consideration to advance this bill.

Sincerely,



Vernon J. Henricks
President & CEO