



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:

On behalf of the Community Foundation of Southeast Kansas (CFSEK), a public charity that supports the entire Southeast Kansas region, I submit these comments in support of HB 2208 "concerning taxation; relating to income and privilege tax credits; enacting the endow Kansas tax credit act; establishing a tax credit for endowment gifts to certain endowment funds held by qualified community foundations."

This bill will provide a tremendous benefit to Kansas communities. By encouraging greater philanthropy to build endowment funds at community foundations, HB 2208 will ensure charitable dollars will support our great state in perpetuity. This initiative will benefit not only your current constituents but future generations, leaving a lasting legacy for our children and grandchildren.

#### **About CFSEK**

CFSEK was founded in 2001 to encourage philanthropy and strengthen communities in our region. Since its inception, CFSEK has awarded over \$23 million in grants and scholarships, supporting essential services such as education, healthcare, housing, and community development. In 2024 alone, we made grants in 18 different Southeast Kansas counties and supported over 70 students attending Kansas schools for their post-secondary education.

#### **HB 2208 Endow Kansas**

The Endow Kansas Tax Credit Act creates an income tax credit for taxpayers who provide an endowment gift to an 'unrestricted' or 'field of interest' permanent endowment fund held by a qualified community foundation in Kansas. By enacting this tax credit, the state can significantly increase charitable giving, strengthening Kansan communities for generations to come.

HB 2208 will:

- Empower communities through charitable contributions

- Maximize and leverage the impact of private funds
- Ensure Kansas' transfer of wealth benefits local communities
- Inspire new giving to support Kansas today and for future generations
- Cultivate local leaders dedicated to community growth
- Position Kansas and its community foundations as champions of philanthropy

### **Tax Credit Programs Incentivize Giving**

Providing a tax credit incentive to promote giving to permanent endowment works and has been highly successful in other states. Illinois, Kentucky, Maryland, Mississippi, Montana, and North Dakota have similar tax credits.

- Endow Kansas is modeled after successful tax credit programs in other states
- Since the inception of the Montana Charitable Endowment Tax Credit, the credit has been claimed on over \$170 million in gifts to Montana charitable endowments. ([Endowmt.org/about](http://Endowmt.org/about))
- In its first two years (2019 – 2020), Endow Mississippi leveraged \$4 million in donations to endowment funds at Mississippi community foundations, making a difference for its residents and communities. (*Endow Mississippi, Program Impact facts*)

### **Kansas' Transfer of Wealth Opportunity**

Kansas is on the cusp of a significant generational wealth transfer:

- Over the next decade, Kansas is poised to see a significant generational wealth transfer, amounting to \$146.1 billion, indicating strong potential for community investment and development.
- **Capturing just 5%** of this wealth transfer for community foundation endowments by 2030 could result in a substantial **\$7.3 billion boost** to local economies and initiatives.
- Over the next 50 years, Kansas is projected to see a staggering \$1.2 trillion transfer of wealth presenting a unique opportunity for sustained community growth and support.

(CEDBR, *Transfer of Wealth Study – 2019*)

### **Why Endowment Funds Matter**

Endowment funds provide a sustainable, long-term source of funding for local nonprofits and initiatives.

- Unrestricted gifts—while often the hardest to secure—provide the greatest flexibility in meeting ever-changing community needs.
- Endowments strengthen local charitable resources today and for future generations, bridging financial gaps and securing the future of essential services.

- City and county-wide endowments give residents the opportunity to invest in their community's evolving needs, adapting to challenges and opportunities over time.

### Conclusion

By enacting HB 2208, Kansas will empower residents to significantly increase charitable giving through tax credits, helping to grow local philanthropic resources. By leveraging these incentives, community foundations can maximize their impact, ensuring greater support for nonprofits and addressing critical needs in both rural and urban communities.

We encourage the Committee to advance this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Devin Gorman". The signature is fluid and cursive, with the first name "Devin" and last name "Gorman" clearly distinguishable.

Devin Gorman  
Executive Director  
Community Foundation of Southeast Kansas