



March 2, 2026

The Honorable Adam Smith, Chairperson
House Committee on Taxation
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Smith:

SUBJECT: Fiscal Note for HB 2645 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2645 is respectfully submitted to your committee.

Under current law, taxpayers who contribute to community colleges or technical colleges in Kansas for capital improvements, deferred maintenance, or the purchase of technology or equipment are allowed a credit against the Kansas income tax, the insurance premium tax, or the privilege tax on financial institutions. The credit equals 60.0 percent of the total amount contributed during the tax year and is subject to a statutory cap of \$5.0 million per tax year, with limits of no more than \$500,000 in credits for contributions to any single institution and no more than \$250,000 in credits per individual taxpayer per tax year. The credit is currently set to expire after tax year 2026. HB 2645 would extend this tax credit through tax year 2031.

The Department of Revenue estimates that enactment of HB 2645 would decrease State General Fund revenues by \$5.0 million per year, beginning in FY 2028. Because the credit is currently set to expire after tax year 2026, new credits allowed beginning in tax year 2027 would first be reflected in state revenues in FY 2028. The Department indicates there would be no additional administrative costs associated with implementing the provisions of the bill. Any fiscal effect associated with HB 2645 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,

Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue