

SENATE BILL No. 521

By Committee on Assessment and Taxation

2-27

1 AN ACT concerning income taxation; relating to the child day care
2 services assistance tax credit; providing for credits for payment of
3 employee's child care and contributions to a third party for increased
4 child care options; amending K.S.A. 2025 Supp. 79-32,190 and
5 repealing the existing section.
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. K.S.A. 2025 Supp. 79-32,190 is hereby amended to read as
9 follows: 79-32,190. (a) Any taxpayer that pays ~~for or provides expenses~~
10 ~~related to the provision of child day care services, including the provision~~
11 ~~of the service of locating such services, to its~~ *for the taxpayer's* employees
12 ~~or that provides facilities and necessary equipment for child day care~~
13 ~~services~~ shall be allowed a credit against the privilege or income tax
14 imposed by articles 11 and 32 of chapter 79 of the Kansas Statutes
15 Annotated, and amendments thereto, ~~as follows for the following expenses:~~

16 (1) (A) *Paying for child care for employees;*

17 (B) *establishing or expanding a child care program that is primarily*
18 *used by employees;*

19 (C) *paying for referral services that connect employees to child care*
20 *providers; and*

21 (D) *providing for collaborative child care investment with other*
22 *employers.*

23 (2) *Subject to the limits set forth in subsection (d), the taxpayer shall*
24 *be allowed a credit of 30%75% of the total amount expended pursuant to*
25 *the expenses provided in paragraph (1) in the state during the taxable year*
26 *by a taxpayer for child day care services purchased to provide care for the*
27 *dependent children of the taxpayer's employees or for the provision of the*
28 *service of locating such services for such children;*

29 (2) (A) ~~in the taxable year in which a facility providing child day care~~
30 ~~services in the state for use primarily by the dependent children of the~~
31 ~~taxpayer's employees is established, 50% of the total amount expended~~
32 ~~during such year by a taxpayer in the establishment and operation of such~~
33 ~~facility;~~

34 (B) ~~in the taxable years other than the taxable year to which~~
35 ~~paragraph (2)(A) applies, 30% of the amount equal to the total amount~~
36 ~~expended during the taxable year by a taxpayer for the operation of a~~

1 facility described in paragraph (2)(A) less the amount of moneys received
2 by the taxpayer for use of such facility for child day care services;

3 ~~(3) (A) in the taxable year in which a facility providing child day care
4 services in the state for use primarily by the dependent children of the
5 taxpayers' employees is established in conjunction with one or more other
6 taxpayers, 50% of the total amount expended during such year by a
7 taxpayer in the establishment and operation of such facility;~~

8 ~~(B) in the taxable years other than the taxable year to which
9 paragraph (3)(A) applies, 30% of the amount equal to the total amount
10 expended during the taxable year by a taxpayer for the operation of a
11 facility described in paragraph (3)(A) less the amount of moneys received
12 by the taxpayer for use of such facility for child day care services; and~~

13 ~~(4) for all taxable years commencing after December 31, 2020, 50%
14 of the amount equal to the total amount expended during the taxable year
15 by a taxpayer as payments to an organization providing access to available
16 child day care services for the taxpayer's employees.~~

17 *(b) Any taxpayer that pays contributions to a third party that help
18 improve the availability of child care options shall be allowed a credit
19 against the privilege or income tax imposed by articles 11 and 32 of
20 chapter 79 of the Kansas Statutes Annotated, and amendments thereto, in
21 an amount for expenses as follows:*

22 *(1) (A) Establishing or expanding a child care program, including
23 support to establish or maintain licensing;*

24 *(B) enabling a program to purchase learning materials or play
25 equipment;*

26 *(C) compensating professional development for child care staff;*

27 *(D) providing child care tuition assistance for families in need; and*

28 *(E) providing referral services that connect families to child care
29 providers.*

30 *(2) Subject to the limits set forth in subsection (d), the taxpayer shall
31 be allowed a credit of:*

32 *(A) 75% of the total amount expended pursuant to paragraph (1) if
33 the recipient accepts and serves children and families receiving a child
34 care subsidy; or*

35 *(B) 50% of the total amount expended pursuant to paragraph (1) if
36 the recipient does not accept or serve children and families receiving a
37 child care subsidy.*

38 *(c) No credit shall be allowed under this section unless the child day
39 care facility or provider is licensed pursuant to Kansas law.*

40 ~~(e)(d) The credit allowed by subsection (a)(1), (2)(B) and (3)(B)
41 subsections (a) and (b) shall not exceed \$30,000 \$100,000 for any
42 taxpayer during any taxable year. The credit allowed by subsection (a)(2)
43 (A), (3)(A) and (4) shall not exceed \$45,000 for any taxpayer during any~~

1 ~~taxable year.~~ The amount of the credit which exceeds the tax liability for a
2 taxable year shall be refunded to the taxpayer. If the taxpayer is a
3 corporation having an election in effect under subchapter S of the federal
4 internal revenue code or a partnership, the credit provided by this section
5 shall be claimed by the shareholders of such corporation or the partners of
6 such partnership in the same manner as such shareholders or partners
7 account for their proportionate shares of the income or loss of the
8 corporation or partnership.

9 ~~(d)~~(e) The aggregate amount of credits claimed under this act for any
10 fiscal year shall not exceed \$3,000,000.

11 ~~(e) For tax years 2013 through 2020, the income tax credit provided~~
12 ~~by this section shall only be available to taxpayers subject to the income~~
13 ~~tax on corporations imposed pursuant to K.S.A. 79-32,110(e), and~~
14 ~~amendments thereto, and shall be applied only against such taxpayer's~~
15 ~~corporate income tax liability.~~

16 Sec. 2. K.S.A. 2025 Supp. 79-32,190 is hereby repealed.

17 Sec. 3. This act shall take effect and be in force from and after
18 January 1, 2027, and its publication in the statute book.