

**SENATE BILL No. 87**

By Committee on Education

1-28

1 AN ACT concerning education; relating to the tax credit for low income  
2 student scholarship program; expanding eligibility thereof; ~~eliminating~~  
3 ~~the eligibility requirement that students shall have been previously~~  
4 ~~enrolled in public school; increasing the tax credit for contributions~~  
5 ~~made to such program; providing for aggregate tax credit limit~~  
6 ~~increases under certain conditions; amending K.S.A. 72-4353 and~~  
7 ~~K.S.A. 2024 Supp. 72-4352 and 72-4357 and repealing the existing~~  
8 ~~sections.~~  
9

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

11 Section 1. K.S.A. 2024 Supp. 72-4352 is hereby amended to read as  
12 follows: 72-4352. As used in the tax credit for low income students  
13 scholarship program act:

14 (a) "Contributions" means monetary gifts or donations and in-kind  
15 contributions, gifts or donations that have an established market value.

16 (b) "Department" means the Kansas department of revenue.

17 (c) "Educational scholarship" means an amount not to exceed \$8,000  
18 per school year provided to an eligible student, or to a qualified school  
19 with respect to an eligible student, to cover all or a portion of the costs of  
20 education including tuition, fees and expenses of a qualified school and, if  
21 applicable, the costs of transportation to a qualified school if provided by  
22 such qualified school.

23 (d) "Eligible student" means a child who *resides in Kansas, has not*  
24 *graduated from high school or reached the age of 21 years and meets any*  
25 *one of the following criteria:*

26 (1) ~~Resides in Kansas; and~~

27 (2) ~~(A) (i) (A)~~ Has an annual family income that is less than or equal  
28 to 250% of the federal poverty guidelines as determined annually in the  
29 federal register by the United States department of health and human  
30 services under 42 U.S.C. § 9902(2); and

31 ~~(ii) (a) (B) (i)~~ was enrolled in *any of the grades* kindergarten ~~or any of~~  
32 ~~the grades one~~ through eight in any public school in the previous school  
33 year in which an educational scholarship is first sought for the child; or

34 ~~(b) (ii)~~ is eligible to be enrolled in any public school in the school year

1 in which an educational scholarship is first sought for the child and the  
2 child is seven years of age or under; ~~or~~

3 ~~(B)(2) has received an educational scholarship under the program and~~  
4 ~~has not graduated from high school or reached the age of 21 years;~~

5 (3) *has been in foster care or placed in a kinship care placement at*  
6 *any time prior to graduation from high school or reaching the age of 21*  
7 *years;*

8 (4) *has a parent who is on active duty with any branch of the armed*  
9 *forces of the United States or who was killed in the line of duty; or*

10 (5) *has a parent who is an emergency medical service provider,*  
11 *firefighter or law enforcement officer as such terms are defined in K.S.A.*  
12 *75-4364, and amendments thereto.*

13 (e) "Parent" includes a guardian, custodian or other person with  
14 authority to act on behalf of the child.

15 (f) "Program" means the tax credit for low income students  
16 scholarship program established in K.S.A. 72-4351 through 72-4357, and  
17 amendments thereto.

18 (g) "Public school" means any school operated by a unified school  
19 district under the laws of this state.

20 (h) "Qualified school" means any nonpublic school that:

21 (1) Provides education to elementary or secondary students;

22 (2) is accredited by the state board or a national or regional  
23 accrediting agency that is recognized by the state board for the purpose of  
24 satisfying the teaching performance assessment for professional licensure  
25 or is working in good faith toward such accreditation;

26 (3) has notified the state board of its intention to participate in the  
27 program; and

28 (4) complies with the requirements of the program.

29 (i) "Scholarship granting organization" means an organization that  
30 complies with the requirements of this program and provides educational  
31 scholarships to eligible students or to qualified schools in which parents  
32 have enrolled eligible students.

33 (j) "School district" or "district" means any unified school district  
34 organized and operating under the laws of this state.

35 (k) "School year" means the same as *defined* in K.S.A. 72-5132, and  
36 amendments thereto.

37 (l) "Secretary" means the secretary of revenue.

38 (m) "State board" means the state board of education.

39 Sec. 2. K.S.A. 72-4353 is hereby amended to read as follows: 72-  
40 4353. (a) There is hereby established the tax credit for low income  
41 students scholarship program. The program shall provide eligible students  
42 with an opportunity to attend schools of their parents' choice.

43 (b) Each scholarship granting organization shall issue a receipt, in a

1 form prescribed by the secretary, to each contributing taxpayer indicating  
2 the value of the contribution received. Each taxpayer shall provide a copy  
3 of such receipt when claiming the tax credit established in K.S.A. 72-4357,  
4 and amendments thereto.

5 (c) Prior to awarding an educational scholarship with respect to an  
6 eligible student, unless such student is under the age of six years, the  
7 scholarship granting organization shall receive written verification from  
8 the state board that such student is an eligible student under this program,  
9 provided the state board and the board of education of the school district in  
10 which the eligible student was enrolled the previous school year have  
11 received written consent from such eligible student's parent authorizing the  
12 release of such information. *The state board shall provide such written*  
13 *notification not later than 45 days after a scholarship granting*  
14 *organization requests such verification from the state board.*

15 (d) Upon receipt of information in accordance with K.S.A. 72-  
16 4354(a)(2), and amendments thereto, the state board shall inform the  
17 scholarship granting organization whether an educational scholarship has  
18 been awarded by another scholarship granting organization with respect to  
19 the eligible student.

20 (e) In each school year, ~~no~~ not more than \$8,000 in educational  
21 scholarships may be awarded under this program with respect to an  
22 eligible student.

23 Sec. 3. K.S.A. 2024 Supp. 72-4357 is hereby amended to read as  
24 follows: 72-4357. (a) (1) ~~There shall be allowed a credit against the~~  
25 ~~corporate income tax liability imposed upon a taxpayer pursuant to the~~  
26 ~~Kansas income tax act, the privilege tax liability imposed upon a taxpayer~~  
27 ~~pursuant to the privilege tax imposed upon any national banking~~  
28 ~~association, state bank, trust company or savings and loan association~~  
29 ~~pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and~~  
30 ~~amendments thereto, and the premium tax liability imposed upon a~~  
31 ~~taxpayer pursuant to the premiums tax and privilege fees imposed upon an~~  
32 ~~insurance company pursuant to K.S.A. 40-252, and amendments thereto,~~  
33 ~~for tax years commencing after December 31, 2014, and ending before~~  
34 ~~January 1, 2017, an amount equal to 70% of the amount contributed to a~~  
35 ~~scholarship granting organization authorized pursuant to K.S.A. 72-4351~~  
36 ~~et seq., and amendments thereto.~~

37 (2) ~~There shall be allowed a credit against the tax liability imposed~~  
38 ~~upon a taxpayer pursuant to the Kansas income tax act, the privilege tax~~  
39 ~~liability imposed upon a taxpayer pursuant to the privilege tax imposed~~  
40 ~~upon any national banking association, state bank, trust company or~~  
41 ~~savings and loan association pursuant to article 11 of chapter 79 of the~~  
42 ~~Kansas Statutes Annotated, and amendments thereto, and the premium tax~~  
43 ~~liability imposed upon a taxpayer pursuant to the premiums tax and~~

1 privilege fees imposed upon an insurance company pursuant to K.S.A. 40-  
2 252, and amendments thereto:

3 (A) For tax years commencing after December 31, 2016, and ending  
4 before January 1, ~~2022~~ 2023, an amount equal to 70% of the amount  
5 contributed to a scholarship granting organization authorized pursuant to  
6 K.S.A. 72-4351 et seq., and amendments thereto; ~~and~~ **and**

7 (B) for tax years commencing after December 31, 2022, ~~and ending~~  
8 ~~before January 1, 2025~~, an amount equal to 75% of the amount  
9 contributed to a scholarship granting organization authorized pursuant to  
10 K.S.A. 72-4351 et seq., and amendments thereto; ~~and~~

11 ~~(C) for tax years commencing after December 31, 2024, an amount~~  
12 ~~equal to 100% of the amount contributed to a scholarship granting~~  
13 ~~organization authorized pursuant to K.S.A. 72-4351 et seq., and~~  
14 ~~amendments thereto.~~

15 ~~(3)~~(2) In no event shall the total amount of contributions for any  
16 taxpayer allowed under this subsection exceed \$500,000 for any tax year.

17 (b) The credit shall be claimed and deducted from the taxpayer's tax  
18 liability during the tax year in which the contribution was made to any  
19 such scholarship granting organization.

20 (c) (1) *Except as otherwise provided in this subsection*, for each tax  
21 year, ~~in no event shall~~ the total amount of credits allowed under this  
22 section ~~shall not exceed \$10,000,000~~ **\$15,000,000** for any one tax year.

23 (2) *In each tax year commencing after December 31, ~~2024~~ 2025, the*  
24 *secretary shall determine whether the total amount of credits claimed*  
25 *pursuant to this subsection exceeds 75% of the aggregate credit limit*  
26 *established pursuant to this subsection. If the secretary determines that the*  
27 *total amount of credits claimed exceeds 75% of the aggregate credit limit,*  
28 *such aggregate credit limit shall be increased by 25% for the succeeding*  
29 *tax year, except that in no event shall such aggregate credit limit exceed*  
30 ~~\$20,000,000~~ **\$25,000,000**.

31 (3) Except as otherwise provided, the allocation of such tax credits  
32 for each scholarship granting organization shall be determined by the  
33 scholarship granting organization in consultation with the secretary, and  
34 such determination shall be completed prior to the issuance of any tax  
35 credits pursuant to this section.

36 (d) If the amount of any such tax credit claimed by a taxpayer  
37 exceeds the taxpayer's income, privilege or premium tax liability, such  
38 excess amount may be carried over for deduction from the taxpayer's  
39 income, privilege or premium tax liability in the next succeeding year or  
40 years until the total amount of the credit has been deducted from tax  
41 liability.

42 (e) The secretary shall adopt rules and regulations regarding filing of  
43 documents that support the amount of credit claimed pursuant to this

1 section.

2 Sec. 4. K.S.A. 72-4353 and K.S.A. 2024 Supp. 72-4352 and 72-4357  
3 are hereby repealed.

4 Sec. 5. This act shall take effect and be in force from and after its  
5 publication in the statute book.