

SESSION OF 2026

SUPPLEMENTAL NOTE ON SENATE BILL NO. 368

As Amended by Senate Committee of the Whole

Brief*

SB 368, as amended, would enact the Health Care Sharing Ministries Tax Deduction Act, providing a subtraction modification for taxpayers for qualified health care sharing expenses and amounts of qualified health care share received by taxpayers.

The subtraction modification for health care sharing expenses could not exceed \$5,000 for an individual or \$10,000 for a married couple filing a joint return.

“Qualifying health care sharing expenses” would be those amounts paid for the taxpayer and their spouse or dependent for contributions for medical expenses and administrative fees of the health care sharing ministry.

“Qualifying health care share received” would be the amount received as a member of a health care sharing ministry to assist with a medical expense.

In order to qualify for the deductions, the bill would require the health care sharing ministry to:

- Be a 501(c)(3) tax-exempt nonprofit organization limiting their membership to members sharing a common set of ethical or religious beliefs;
- Act as a facilitator among members who have qualifying medical needs under criteria established

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

by the organization and members with the present ability to assist with financial and medical needs;

- Provide for the financial or medical needs of members through the contributions of other members and provide contribution amounts of members with no assumption of risk or promise to pay, either among members or by the organization;
- Provide written statements to members, on at least a quarterly basis, specifying the total dollar amount of qualified needs submitted to the organization and the actual amount published or assigned to members for contributions;
- Conduct an annual audit by an independent certified public accountant in accordance with generally accepted accounting principals that is made available to the public; and
- Provide a written disclaimer on all applications and guideline materials distributed by the organization, as provided by the bill, specifying that the organization is not an insurance company.

The tax subtraction modifications would begin in tax year 2027 and would only apply to the extent the health care sharing expenses are not already deducted and health care share received is included in the taxpayer's federal adjusted gross income and is not otherwise deducted.

Background

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Peck.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by Senator Peck, a representative of Samaritan Ministries, and a private citizen. The proponents generally stated some Kansans choose health care sharing ministries as an alternative to health insurance and the bill would afford similar tax treatment to the expenses and benefits of health care sharing ministries as those of health insurance.

Written-only proponent testimony was provided by representatives of the Kansas Catholic Conference and Kansas Family Voice.

Opponent testimony was provided by a representative of Mainstream Coalition. The opponent generally stated health care sharing ministries operate outside of the regulation of typical insurance and are designed to discriminate among participants on the basis of religious beliefs.

Written-only opponent testimony was provided by a representative of American Atheists.

No other testimony was provided.

Senate Committee of the Whole

The Senate Committee of the Whole amended the bill to limit the amount of the subtraction modification for health care sharing expenses to \$5,000 for individuals and \$10,000 for joint filers.

Fiscal Information

A revised fiscal note on the amended bill was not immediately available at the time the Senate Committee of the Whole took action.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue estimates enactment of the bill would reduce State General Fund receipts by \$400,000 in FY 2027 and by \$1.2 million in FY 2028 and future years.

Taxation; income tax; subtraction modification; Health Care Sharing Ministries Tax Deduction Act