

SESSION OF 2013

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2084**

As Amended by House Committee on  
Commerce, Labor and Economic Development

**Brief\***

HB 2084, as amended, would revise the substantive definition of "community service" as the term is used in the Community Service Tax Credit Program. The bill would include "youth apprenticeship and technical training," which would mean activities designed to improve apprenticeship and technical training that support an emphasis on rural construction projects and any necessary equipment, facilities, and supportive mentorship.

Under current law, community services means activities that address the needs of low income persons, crime prevention provided by non-governmental entities, and health care services.

**Background**

The Community Service Tax Credit Program, administered by the Department of Commerce, facilitates the fundraising campaigns for nonprofit organizations conducting qualified activities or projects. In urban communities with a population greater than 15,000, the tax credit is worth 50 percent of the contribution; in rural communities the tax credit is worth 75 percent. The total amount of tax credits annually awarded is capped at \$4.13 million.

Representatives of the Department of Commerce, speaking as proponents, stated since the tax credit's

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\*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 <http://www.kslegislature.org>

inception in 1994, \$75 million in tax credits have been awarded, generating an additional \$108.4 million in donations. Expanded technical training could address housing and skilled labor needs in the state. The Phillips County Economic Development Corporation also spoke in favor of the bill, stating enhanced technical training could help to fill the need for skilled labor in rural communities.

There was no opponent testimony.

The House Committee on Commerce, Labor and Economic Development amended the bill to:

- Replace the term "rural housing" as the emphasis of technical training with the term "rural construction projects"; and
- Re-instate the language proposed to be deleted in the bill, as introduced, which would have excluded individuals from being able to claim this tax credit beginning in tax year 2013.

The Division of the Budget fiscal note on the original bill indicated the elimination of the tax credit for individuals would increase receipts to the State General Fund by \$2.1 million. A revised fiscal note on the amended version of the bill is not immediately available.