

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 295**

As Amended by Senate Committee on  
Assessment and Taxation

**Brief\***

SB 295, 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.

The bill also would add a subtraction modification to the income tax of retired employees of the City of Overland Park Police Department. The City of Overland Park established its own pension plan, pursuant to the city’s home rule authority, which is not included in the current income tax exemption.

**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.

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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>

A representative for the Department of Commerce provided written testimony supporting the addition of youth apprenticeship and technical training as an eligible category for the Community Service Program. There was no opponent testimony at the Senate Committee hearing.

The Senate Committee on Assessment and Taxation amended the bill at the recommendation of the Department of Revenue to add the subtraction modification for retired employees of the Overland Park Police Department. A fiscal note on this amendment was not immediately available.

The fiscal note on the original bill indicates it would not have any fiscal impact on the state, as it does not change the cap on the amount of tax credits allocated.