

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

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**MEMORANDUM**

To: Chairman Kelly and members of the House Financial Institutions and Rural Development Committee  
From: Office of Revisor of Statutes  
Date: February 14, 2022  
Subject: **HB 2569; Establishing a new income tax credit for renovation of 50-year-old and older structures and amending the existing income tax credit for historic structures.**

House Bill No. 2569 enacts two new sections of law. Section 1 names K.S.A. 79-32,211, and sections 1 and 2 of the bill the historic Kansas act.

Section 2 establishes an income, privilege and premium tax credit for all taxable years commencing after 2021 in an amount equal to 10% of qualified expenditures incurred for the restoration and preservation of a qualified structure. An additional tax credit of 10% of the qualified expenditures may be allowed for the installation of fire suppression materials or equipment. The total amount of expenditures shall be at least \$2,000 but not more than \$1,000,000. Financial institutions shall pay taxes on 25% of the interest earned on loans to qualified taxpayers used for expenditures for the restoration and preservation of qualified structures or for the installation of fire suppression materials or equipment. The tax credit is allowed to be carried forward for 10 years and such credit may be assigned. No person claiming a tax credit under this section may claim a tax credit for the same structure under K.S.A. 79-32,211.

The bill defines "qualified expenditures" to mean the costs and expenses in the restoration and preservation of a qualified structure that is at least 50 years old. "Qualified structure" means any building, whether or not income producing, that includes residential, commercial and agricultural buildings and "qualified taxpayer" means the owner of the structure.

Section 3 amends K.S.A. 79-32,211, the existing tax credit for expenditures incurred in the restoration and preservation of historic structures on the register of Kansas historic places, by adding language to increase the amount of the tax credit provided by such section to 30% of qualified expenditures if the qualified historic structure is located in a city with a population between 9,500 and 50,000 and 40% if the structure is located in a city with a population of less than 9,500. The bill also strikes language requiring the total amount of expenditures incurred in the restoration and preservation of a qualified historic structure be equal to \$5,000 or more to qualify for the tax credit.

Under current law, such tax credit is 25% of qualified expenditures or 30% if such expenditures are incurred in the restoration and preservation of a structure that is exempt from federal income taxation pursuant to section 501(c)(3) and that is not income producing pursuant to a qualified rehabilitation plan if the total amount of such expenditures equals \$5,000 or more.

HB 2569 allows the tax credit of 30% for 501(c)(3) exempt structures to be in addition to the 25%, 30% or 40% credit for qualified historic structures instead of being one or the other as in current law. For the 501(c)(3) exempt structure credit, the total amount of such expenditures being \$5,000 or more to qualify for such tax credit remains in place.