

SESSION OF 2023

SUPPLEMENTAL NOTE ON SENATE BILL NO. 147

As Amended by Senate Committee of the Whole

Brief*

SB 147, as amended, would increase the Kansas tax credits for adoption expenses and child and dependent care expenses.

Adoption Tax Credit

The bill would increase, beginning in tax year 2023, the adoption tax credit to 100 percent of the federal adoption tax credit for most children and to 150 percent of the federal adoption tax credit if the child was a Kansas resident prior to the adoption and is a child with special needs, as defined in federal law.

[*Note:* Current law provides for a tax credit amount of 25 percent of the federal adoption tax credit and additional amounts of 25 percent if the child adopted was a Kansas resident prior to the adoption and 25 percent if the child was a Kansas resident prior to the adoption and is a child with special needs, as defined in federal law.]

The bill would provide, beginning in tax year 2023, for the adoption tax credit to be a refundable tax credit.

*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>

Child and Dependent Care Expense Credit

The bill would increase the child and dependent care expense credit, beginning in tax year 2023, from 25 percent to 50 percent of the federally allowed credit.

Background

The bill was introduced by Senator Blasi.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by Senator Blasi, generally stating the bill would assist families by providing an immediate offset to some of the costs of adopting a child.

Written-only proponent testimony was provided by representatives of Kansans for Life, Kansas Catholic Conference, and Kansas Family Voice.

No other testimony was provided.

The Senate Committee amended the bill to remove a provision that would have made the credit refundable.

Senate Committee of the Whole

The Senate Committee of the Whole amended the bill to provide for refundability of the adoption tax credit, to provide for an extra 50 percent credit for certain children with special needs, and to provide for an increase to the child and dependent care expense credit from 25 percent to 50 percent.

Fiscal Information

A revised fiscal note on the amended bill was not immediately available. Any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

Taxation; income tax; credits; adoption; child and dependent care expenses