

2023 Kansas Statutes

79-32,261. Tax credit for certain contributions to community college, technical college or postsecondary educational institution. (a) (1) On and after July 1, 2008, any taxpayer who contributes in the manner prescribed by this paragraph to a community college located in Kansas for capital improvements, to a technical college for deferred maintenance or the purchase of technology or equipment or to a postsecondary educational institution located in Kansas for deferred maintenance, shall be allowed a credit against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto. The tax credit allowed by this paragraph is applicable for the tax year 2008 for any contributions made on and after July 1, 2008, and for the tax years 2009, 2010, 2011 and 2012 for any contributions made during the entire tax year. The amount of the credit allowed by this paragraph shall not exceed 60% of the total amount contributed during the taxable year by the taxpayer to a community college or a technical college located in Kansas for such purposes. The amount of the credit allowed by this paragraph shall not exceed 50% of the total amount contributed during the taxable year by the taxpayer to a postsecondary educational institution for such purposes. If the amount of the credit allowed by this paragraph for a taxpayer who contributes to a community college or a technical college exceeds the taxpayer's income tax liability imposed by the Kansas income tax act, such excess amount shall be refunded to the taxpayer. If the amount of the tax credit for a taxpayer who contributes to a postsecondary educational institution exceeds the taxpayer's income tax liability for the taxable year, the amount which exceeds the tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the third taxable year succeeding the taxable year in which the contribution is made. Prior to the issuance of any tax credits pursuant to this paragraph, the structure of the process in which contributions received by a community college, a technical college or a postsecondary educational institution qualify as tax credits allowed and issued pursuant to this paragraph shall be developed by a community college, a technical college and a postsecondary educational institution in consultation with the secretary of revenue and the foundation or endowment association of any such community college, technical college or postsecondary educational institution in a manner that complies with requirements specified in the federal internal revenue code of 1986, as amended, so that contributions qualify as charitable contributions allowable as deductions from federal adjusted gross income.

(2) On and after July 1, 2022, any taxpayer who contributes in the manner prescribed by this paragraph to a community college or technical college located in Kansas for capital improvements, deferred maintenance or the purchase of technology or equipment shall be allowed a credit against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto. The tax credit allowed by this paragraph is applicable for the tax year 2022 for any contributions made on and after July 1, 2022, and for the tax years 2023, 2024, 2025 and 2026 for any contributions made during the entire tax year. The amount of the credit allowed by this paragraph shall equal 60% of the total amount contributed during the taxable year by the taxpayer to a community college or a technical college located in Kansas for such purposes. Prior to the issuance of any tax credits pursuant to this paragraph, the structure of the process in which contributions received by a community college or technical college qualify as tax credits allowed and issued pursuant to this paragraph shall be developed by a community college and technical college in consultation with the secretary of revenue and the foundation or endowment association of any such community college or technical college in a manner that complies with requirements

specified in the federal internal revenue code of 1986, as amended, so that contributions qualify as charitable contributions allowable as deductions from federal adjusted gross income.

(b) (1) Upon receipt of any contributions to a community college made pursuant to the provisions of subsection (a)(1), the treasurer of the community college shall deposit such contributions to the credit of the capital outlay fund of such community college established as provided by K.S.A. 71-501a, and amendments thereto. Expenditures from such fund shall be made for the purposes described in K.S.A. 71-501(a), and amendments thereto, except that expenditures shall not be made from such fund for new construction or the acquisition of real property for use as building sites or for educational programs.

(2) Upon receipt of any contributions to a technical college made pursuant to the provisions of subsection (a)(1), such contributions shall be deposited to the credit of a deferred maintenance fund or a technology and equipment fund established by the technical college which received the contribution. Expenditures from such fund shall be made only for the purpose as provided in subsection (b)(1).

(3) Upon receipt of any such contributions to a postsecondary educational institution made pursuant to the provisions of subsection (a)(1), such contributions shall be deposited to the credit of the appropriate deferred maintenance support fund of the postsecondary educational institution that received the contribution. Expenditures from such fund shall be made only for the purposes designated for such fund pursuant to law.

(4) Upon receipt of any such contributions to a community college or technical college made pursuant to the provisions of subsection (a)(2), the treasurer of the community college or technical college shall deposit such contributions to the credit of the capital outlay fund of such community college or technical college established as provided by K.S.A. 71-501a, and amendments thereto. Expenditures from such fund shall be made for the purposes designated for such fund pursuant to law.

(c) (1) In no event shall the total amount of credits allowed under subsection (a)(1) for taxpayers who contribute to any one such community college or technical college exceed the following amounts: For the tax year 2008, an amount not to exceed \$78,125; for the tax year 2009, an amount not to exceed \$156,250; and for the tax years 2010, 2011 and 2012, an amount not to exceed \$208,233.33.

(2) In no event shall the total of credits allowed under subsection (a)(1) for taxpayers who contribute to postsecondary educational institutions exceed the following amounts: For the tax year 2008, an amount not to exceed \$5,625,000; for the tax year 2009, an amount not to exceed \$11,250,000; and for the tax years 2010, 2011 and 2012, an amount not to exceed \$15,000,000. Except as otherwise provided, the allocation of such tax credits for each individual state educational institution shall be determined by the state board of regents in consultation with the secretary of revenue and the university foundation or endowment association of each postsecondary educational institution, and such determination shall be completed prior to the issuance of any tax credits pursuant to subsection (a)(1). Not more than 40% of the total of credits allowed under subsection (a)(1) shall be allocated to any one postsecondary educational institution unless all such postsecondary educational institutions approve an allocation to any one such postsecondary educational institution which exceeds 40% of the total of such credits allowed under subsection (a)(1).

(3) For the tax years 2022 through 2026, the amount of such credit awarded under subsection (a)(2) for each taxpayer shall not exceed \$250,000 per tax year.

(4) In no event shall the total of credits allowed under subsection (a)(2) for contributions to any one community college or technical college exceed \$500,000 per tax year.

(5) In no event shall the total of credits allowed under subsection (a)(2) exceed \$5,000,000 for each tax year that the credit remains in effect.

(d) As used in this section: (1) "Community college" means a community college established under the provisions of the community college act;

(2) "deferred maintenance" means the maintenance, repair, reconstruction or rehabilitation of a building located at a technical college or a postsecondary educational institution which has been deferred, any utility systems relating to such

building, any life-safety upgrades to such building and any improvements necessary to be made to such building in order to comply with the requirements of the Americans with disabilities act or other federal or state law, except that for taxable years commencing after December 31, 2013, deferred maintenance shall not include any maintenance, repair, reconstruction or rehabilitation of any building in which any abortion, as defined in K.S.A. 65-6701, and amendments thereto, is performed;

(3) "postsecondary educational institution" means the university of Kansas, Kansas state university of agriculture and applied science, Wichita state university, Emporia state university, Pittsburg state university, Fort Hays state university and Washburn university of Topeka; and

(4) "technical college" means a technical college as designated pursuant to K.S.A. 74-32,458, 74-32,460, 74-32,461, 74-32,462, 74-32,464 and 74-32,465, and amendments thereto, and the institute of technology at Washburn university.

(e) (1) Any taxpayer not subject to Kansas income, privilege or premiums tax who contributes to a community college, technical college or postsecondary educational institution, hereinafter designated the transferor, may sell, assign, convey or otherwise transfer tax credits allowed and earned pursuant to this section. The sale price of a tax credit shall be at least 50% of the full value of the credit. Such credit shall be deemed to be allowed and earned by any such taxpayer which is only disqualified therefrom by reason of not being subject to such Kansas taxes. The taxpayer acquiring earned credits, hereinafter designated the transferee, may use the amount of the acquired credits to offset up to 100% of the taxpayer's income, privilege or premiums tax liability for the taxable year in which such acquisition was made. Such credits may be sold or transferred only one time and, if sold or transferred, shall be transferred in the tax year such credit is earned or the two successive tax years. A transferred credit shall be claimed in the year purchased. The transferor shall enter into a written agreement with the transferee establishing the terms and conditions of the sale or transfer and shall perfect such transfer by notifying the secretary of revenue in writing within 30 calendar days following the effective date of the transfer, subject to the review and approval or denial of such transfer by the secretary of revenue. The transferor and transferee shall provide any information pertaining to the sale or transfer as may be required by the secretary of revenue to administer and carry out the provisions of this section. The amount received by the transferor of such tax credit shall be taxable as income of the transferor, and the excess of the value of such credit over the amount paid by the transferee for such credit shall be taxable as income of the transferee.

(2) The provisions of this subsection shall not apply to tax credits earned pursuant to subsection (a)(2).

(f) The secretary of revenue shall submit an annual report to the legislature to assist the legislature in the evaluation of the utilization of any credits claimed pursuant to this act, including information specific as to each community college, technical college or postsecondary educational institution. Such report shall be due on or before the first day of the legislative session following the tax year in which the credits were claimed.

(g) The secretary of revenue shall adopt rules and regulations necessary to administer the provisions of this section.

History: L. 2007, ch. 200, § 16; L. 2013, ch. 119, § 21; L. 2022, ch. 63, § 42; July 1.