

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

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

---

300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

---

**MEMORANDUM**

To: Senate Committee on Financial Institutions and Insurance  
From: Office of Revisor of Statutes  
Date: February 8, 2023  
Subject: Bill Brief, SB 37

---

Senate Bill No. 37 (SB 37) would expand the transferability of tax credits issued under the Kansas Housing Investor Tax Credit Act (Act). Enacted in 2022, the Act allows taxpayers who invest in or develop housing projects in Kansas to apply to the Director of Housing for the Kansas Housing Resources Corporation. If approved by the Director, the investor can receive a tax credit for each residential unit developed up to 40 units per year. The residential units can be either single or multi-family. The amount of the tax credit issued is for the cash investment in the project subject to statutory limitations depending on the population of the area where the housing project is located. In counties with a population of not more than 8,000, the tax credit cannot exceed \$35,000 per unit. In counties with a population of more than 8,000, but not more than 25,000, the tax credit cannot exceed \$32,000 per unit. In all other counties, the tax credit cannot exceed \$30,000 per unit.

Under the Act, if the taxpayer was issued a tax credit and did not have any tax liability against which the credit could be applied, the taxpayer could transfer the full amount of the tax credit to another taxpayer. SB 37 would provide more flexibility to a taxpayer wanting to transfer their tax credit. Under the bill a taxpayer could transfer all or a portion of the tax credit amount to another taxpayer. Additionally, any transferee receiving a transferred tax credit, whether all or a portion, could make a subsequent transfer of all or a portion of the amount received to another taxpayer. SB 37 would keep the current requirement that the tax credit must be claimed within the first five years after it is issued.

If enacted, SB 37 would become effective on July 1, 2023.