

HOUSE BILL No. 2048

By Committee on K-12 Education Budget

1-17

1 AN ACT concerning education; relating to the tax credit for low income
2 students scholarship program; providing for additional student
3 eligibility; increasing the tax credit for contributions made pursuant to
4 such program; amending K.S.A. 72-4353 and 72-4357 and K.S.A. 2022
5 Supp. 72-4352 and repealing the existing sections.

6
7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. K.S.A. 2022 Supp. 72-4352 is hereby amended to read as
9 follows: 72-4352. As used in the tax credit for low income students
10 scholarship program act:

11 (a) "Contributions" means monetary gifts or donations and in-kind
12 contributions, gifts or donations that have an established market value.

13 (b) "Department" means the Kansas department of revenue.

14 (c) "Educational scholarship" means an amount not to exceed \$8,000
15 per school year provided to an eligible student, or to a qualified school
16 with respect to an eligible student, to cover all or a portion of the costs of
17 education, including tuition, fees and expenses of a qualified school and, if
18 applicable, the costs of transportation to a qualified school if provided by
19 such qualified school.

20 (d) "Eligible student" means a child who:

21 (1) Resides in Kansas; ~~and~~

22 ~~(2) (A) (i) Is eligible for free or reduced-price meals under the~~
23 ~~national school lunch act; and~~

24 (2) *has not graduated from high school or reached the age of 21*
25 *years; and*

26 (3) *(A) has an annual family income that is less than or equal to*
27 *250% of the federal poverty guidelines as determined annually in the*
28 *federal register by the United States department of health and human*
29 *services under 42 U.S.C. § 9902(2), and such student:*

30 ~~(i) (a) (i) Was enrolled in kindergarten or any of the grades one~~
31 ~~through eight 12 in any public school in the previous school year in which~~
32 ~~an educational scholarship is first sought for the child; or~~

33 ~~(b) (ii) is eligible to be enrolled in any public school in the school year~~
34 ~~in which an educational scholarship is first sought for the child and the~~
35 ~~child is seven years of age or under; or~~

36 (iii) *is enrolling in kindergarten or any of the grades one through 12*

1 *in the state for the first time;*

2 (B) has received an educational scholarship under the program ~~and~~
3 ~~has not graduated from high school or reached the age of 21 years;~~

4 (C) *has been in foster care or placed in a kinship care placement at*
5 *any time prior to graduation from high school or the age of 21 years;*

6 (D) *has a parent who is on active duty with any branch of the armed*
7 *forces of the United States or who was killed in the line of duty; or*

8 (E) *has a parent who is an emergency medical service provider,*
9 *firefighter or law enforcement officer as such terms are defined in K.S.A.*
10 *75-4364, and amendments thereto.*

11 (e) "Parent" includes a guardian, custodian or other person with
12 authority to act on behalf of the child.

13 (f) "Program" means the tax credit for low income students
14 scholarship program established in K.S.A. 72-4351 through 72-4357, and
15 amendments thereto.

16 (g) "Public school" means any school operated by a unified school
17 district under the laws of this state.

18 (h) "Qualified school" means any nonpublic school that:

19 (1) Provides education to elementary or secondary students;

20 (2) is accredited by the state board or a national or regional
21 accrediting agency that is recognized by the state board for the purpose of
22 satisfying the teaching performance assessment for professional licensure;

23 (3) has notified the state board of its intention to participate in the
24 program; and

25 (4) complies with the requirements of the program.

26 (i) "Scholarship granting organization" means an organization that
27 complies with the requirements of this program and provides educational
28 scholarships to eligible students or to qualified schools in which parents
29 have enrolled eligible students.

30 (j) "School district" or "district" means any unified school district
31 organized and operating under the laws of this state.

32 (k) "School year" means the same as *defined* in K.S.A. 72-5132, and
33 amendments thereto.

34 (l) "Secretary" means the secretary of revenue.

35 (m) "State board" means the state board of education.

36 Sec. 2. K.S.A. 72-4353 is hereby amended to read as follows: 72-
37 4353. (a) There is hereby established the tax credit for low income
38 students scholarship program. The program shall provide eligible students
39 with an opportunity to attend schools of their parents' choice.

40 (b) Each scholarship granting organization shall issue a receipt, in a
41 form prescribed by the secretary, to each contributing taxpayer indicating
42 the value of the contribution received. Each taxpayer shall provide a copy
43 of such receipt when claiming the tax credit established in K.S.A. 72-4357,

1 and amendments thereto.

2 (c) Prior to awarding an educational scholarship with respect to an
3 eligible student, unless such student is under the age of six years, the
4 scholarship granting organization shall receive written verification from
5 the state board that such student is an eligible student under this program,
6 provided the state board and the board of education of the school district in
7 which the eligible student was enrolled the previous school year have
8 received written consent from such eligible student's parent authorizing the
9 release of such information. *The state board shall provide such written*
10 *notification not later than 30 days after a scholarship granting*
11 *organization requests such verification from the state board.*

12 (d) Upon receipt of information in accordance with K.S.A. 72-
13 4354(a)(2), and amendments thereto, the state board shall inform the
14 scholarship granting organization whether an educational scholarship has
15 been awarded by another scholarship granting organization with respect to
16 the eligible student.

17 (e) In each school year, no more than \$8,000 in educational
18 scholarships may be awarded under this program with respect to an
19 eligible student.

20 Sec. 3. K.S.A. 72-4357 is hereby amended to read as follows: 72-
21 4357. (a) (1) There shall be allowed a credit against the corporate income
22 tax liability imposed upon a taxpayer pursuant to the Kansas income tax
23 act, the privilege tax liability imposed upon a taxpayer pursuant to the
24 privilege tax imposed upon any national banking association, state bank,
25 trust company or savings and loan association pursuant to article 11 of
26 chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and
27 the premium tax liability imposed upon a taxpayer pursuant to the
28 premiums tax and privilege fees imposed upon an insurance company
29 pursuant to K.S.A. 40-252, and amendments thereto, for tax years
30 commencing after December 31, 2014, and ending before January 1, 2017,
31 an amount equal to 70% of the amount contributed to a scholarship
32 granting organization authorized pursuant to K.S.A. 72-4351 et seq., and
33 amendments thereto.

34 (2) There shall be allowed a credit against the tax liability imposed
35 upon a taxpayer pursuant to the Kansas income tax act, the privilege tax
36 liability imposed upon a taxpayer pursuant to the privilege tax imposed
37 upon any national banking association, state bank, trust company or
38 savings and loan association pursuant to article 11 of chapter 79 of the
39 Kansas Statutes Annotated, and amendments thereto, and the premium tax
40 liability imposed upon a taxpayer pursuant to the premiums tax and
41 privilege fees imposed upon an insurance company pursuant to K.S.A. 40-
42 252, and amendments thereto;:

43 (A) For tax years commencing after December 31, 2016, *and ending*

1 *before January 1, 2022, an amount equal to 70% of the amount*
2 *contributed to a scholarship granting organization authorized pursuant to*
3 *K.S.A. 72-4351 et seq., and amendments thereto. ~~In no event shall the total~~*
4 *~~amount of contributions for any taxpayer allowed under this subsection~~*
5 *~~exceed \$500,000 for any tax year; and~~*

6 *(B) for tax years commencing after December 31, 2022, an amount*
7 *equal to 100% of the amount contributed to a scholarship granting*
8 *organization authorized pursuant to K.S.A. 72-4351 et seq., and*
9 *amendments thereto.*

10 (b) The credit shall be claimed and deducted from the taxpayer's tax
11 liability during the tax year in which the contribution was made to any
12 such scholarship granting organization. *In no event shall the total amount*
13 *of a taxpayer's contributions in any tax year exceed \$500,000 for the*
14 *purpose of any credit claimed by a taxpayer pursuant to subsection (a)(2).*

15 (c) (1) *Except as otherwise provided in this subsection, for each tax*
16 *year, ~~in no event shall~~ the total amount of credits allowed under this*
17 *section shall not exceed \$10,000,000 for any one tax year.*

18 (2) *In each tax year commencing after December 31, 2022, the*
19 *secretary shall determine whether the total amount of credits claimed*
20 *pursuant to this subsection exceeds 80% of the aggregate credit limit*
21 *established pursuant to this subsection. If such condition is satisfied, the*
22 *aggregate credit limit shall be increased by 20% for the succeeding tax*
23 *year; except that in no event shall such aggregate credit limit exceed*
24 *\$20,000,000.*

25 (3) Except as otherwise provided, the allocation of such tax credits
26 for each scholarship granting organization shall be determined by the
27 scholarship granting organization in consultation with the secretary, and
28 such determination shall be completed prior to the issuance of any tax
29 credits pursuant to this section.

30 (d) If the amount of any such tax credit claimed by a taxpayer
31 exceeds the taxpayer's income, privilege or premium tax liability, such
32 excess amount may be carried over for deduction from the taxpayer's
33 income, privilege or premium tax liability in the next succeeding year or
34 years until the total amount of the credit has been deducted from tax
35 liability.

36 (e) The secretary shall adopt rules and regulations regarding filing of
37 documents that support the amount of credit claimed pursuant to this
38 section.

39 Sec. 4. K.S.A. 72-4353 and 72-4357 and K.S.A. 2022 Supp. 72-4352
40 are hereby repealed.

41 Sec. 5. This act shall take effect and be in force from and after its
42 publication in the statute book.