



Kansas Department of Commerce

HB 2084 -- Proposed Changes to the Community Service Tax Credit Program

Prepared for the House Commerce, Labor and Economic Development Committee
Room 346-S, The Statehouse
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The Community Service Tax Credit Program is designed to facilitate capital campaigns for non-profits conducting certain eligible activities/ or projects in Kansas. The eligible activities are community services, healthcare, and non-governmental crime prevention. Urban non-profits, communities with population greater than 15,000, receive 50 percent credits while rural projects receive 70 percent credits.

Program History

According to Department records, \$75 million in tax credits have been awarded that have generated \$108.4 million in donations for healthcare and community service projects across Kansas.

Around \$6.5 million has been donated to these projects by donors living or based outside of Kansas since 1995, and 510 projects have been funded since 1995. Since 2006, projects funded have included six health clinics, 51 hospital expansions/ renovations, five mental health facilities and 20 nursing homes/ assisted living facilities.

Proposed Changes

CSP is a proven tool that could be expanded in scope to include more projects that are vital to Kansas communities. Throughout the last several application rounds we have received feedback from local organizations and leadership that CSP would be a good fit such things as housing and educational opportunities in the form of technical training and apprenticeships. They have proposed exciting new projects that they would like to submit for CSP but they don't fit neatly within one of the existing categories.

This legislation would enable the Department to encourage and approve non-profits that are working to expand technical training opportunities and apprenticeships to Kansas youth. The legislation would also allow for those training opportunities to address critical housing shortages in the state. An example of such a project would be a local community foundation that partners with the school district to develop curricula that provides hands-on training while also building housing. The proceeds of the sale of the housing unit could then be used by the Community Foundation to sustain the training program in future years. This is but one common example provided by local economic development leaders as we considered possible changes to the program.

HB 2084 serves to expand the eligible categories and affords the Department greater flexibility in its efforts to respond to the priorities of communities across Kansas.