

As Amended by House Committee

{As Amended by Senate Committee of the Whole}

As Amended by Senate Committee

Session of 2025

SENATE BILL No. 87

By Committee on Education

1-28

1 AN ACT concerning education; relating to the tax credit for low income
2 student scholarship program; expanding eligibility thereof; ~~eliminating~~
3 ~~the eligibility requirement that students shall have been previously~~
4 ~~enrolled in public school; increasing the tax credit for contributions~~
5 ~~made to such program; providing for aggregate tax credit limit~~
6 ~~increases under certain conditions; amending K.S.A. 72-4353 and~~
7 ~~K.S.A. 2024 Supp. 72-4352 and 72-4357 and repealing the existing~~
8 ~~sections.~~
9

10 *Be it enacted by the Legislature of the State of Kansas:*

11 Section 1. K.S.A. 2024 Supp. 72-4352 is hereby amended to read as
12 follows: 72-4352. As used in the tax credit for low income students
13 scholarship program act:

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

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

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

23 (d) "Eligible student" means a child who *resides in Kansas, has not*
24 *graduated from high school or reached the age of 21 years and meets any*
25 *one of the following criteria:*

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

27 (2) ~~(A) (i) (A)~~ Has an annual family income that is less than or equal
28 to 250% of the federal poverty guidelines as determined annually in the
29 federal register by the United States department of health and human
30 services under 42 U.S.C. § 9902(2); and

31 ~~(ii) (a) (B) (i)~~ was enrolled in *any of the grades* kindergarten ~~or any of~~
32 ~~the grades one~~ through eight in any public school in the previous school

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

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

7 ~~(3)~~ *has been in foster care or placed in a kinship care placement at*
 8 *any time prior to graduation from high school or reaching the age of 21*
 9 *years;*

10 ~~(4)~~ *has a parent who is on active duty with any branch of the armed*
 11 *forces of the United States or who was killed in the line of duty; or*

12 ~~(5)~~ *has a parent who is an emergency medical service provider,*
 13 *firefighter or law enforcement officer as such terms are defined in K.S.A.*
 14 *75-4364, and amendments thereto;*

15 **(A) (i) Is on active duty with any branch of the armed forces of**
 16 **the United States;**

17 **(ii) sustained a service-connected injury or disability as described**
 18 **in K.S.A. 75-4364, and amendments thereto; or**

19 **(iii) died while serving in military service; or**

20 **(B) (i) was injured or disabled while performing duties as a public**
 21 **safety officer; or**

22 **(ii) died as a result of injury sustained while performing duties as**
 23 **a public safety officer.**

24 **(e) "Injury" and "disability" mean the same as defined in K.S.A.**
 25 **75-4364, and amendments thereto.**

26 **(f) "Parent" includes a guardian, custodian or other person with**
 27 **authority to act on behalf of the child.**

28 ~~(g)~~ **"Program" means the tax credit for low income students**
 29 **scholarship program established in K.S.A. 72-4351 through 72-4357, and**
 30 **amendments thereto.**

31 ~~(h)~~ **"Public safety officer" means a law enforcement officer,**
 32 **firefighter or emergency medical service provider as such terms are**
 33 **defined in K.S.A. 75-4364, and amendments thereto.**

34 **(i) "Public school" means any school operated by a unified school**
 35 **district under the laws of this state.**

36 ~~(j)~~ **"Qualified school" means any nonpublic school that:**

37 **(1) Provides education to elementary or secondary students;**

38 **(2) is accredited by the state board or a national or regional**
 39 **accrediting agency that is recognized by the state board for the purpose of**
 40 **satisfying the teaching performance assessment for professional licensure**
 41 **or is working in good faith toward such accreditation;**

42 **(3) has notified the state board of its intention to participate in the**
 43 **program; and**

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

2 ~~(j)~~(k) "Scholarship granting organization" means an organization that
3 complies with the requirements of this program and provides educational
4 scholarships to eligible students or to qualified schools in which parents
5 have enrolled eligible students.

6 ~~(j)~~(l) "School district" or "district" means any unified school district
7 organized and operating under the laws of this state.

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

10 ~~(l)~~(n) "Secretary" means the secretary of revenue.

11 ~~(m)~~(o) "State board" means the state board of education.

12 Sec. 2. K.S.A. 72-4353 is hereby amended to read as follows: 72-

13 4353. (a) There is hereby established the tax credit for low income
14 students scholarship program. The program shall provide eligible students
15 with an opportunity to attend schools of their parents' choice.

16 (b) Each scholarship granting organization shall issue a receipt, in a
17 form prescribed by the secretary, to each contributing taxpayer indicating
18 the value of the contribution received. Each taxpayer shall provide a copy
19 of such receipt when claiming the tax credit established in K.S.A. 72-4357,
20 and amendments thereto.

21 (c) Prior to awarding an educational scholarship with respect to an
22 eligible student, unless such student is under the age of six years, the
23 scholarship granting organization shall receive written verification from
24 the state board that such student is an eligible student under this program,
25 provided the state board and the board of education of the school district in
26 which the eligible student was enrolled the previous school year have
27 received written consent from such eligible student's parent authorizing the
28 release of such information. *The state board shall provide such written*
29 *notification not later than 45 days after a scholarship granting*
30 *organization requests such verification from the state board.*

31 (d) Upon receipt of information in accordance with K.S.A. 72-
32 4354(a)(2), and amendments thereto, the state board shall inform the
33 scholarship granting organization whether an educational scholarship has
34 been awarded by another scholarship granting organization with respect to
35 the eligible student.

36 (e) In each school year, ~~no~~ not more than \$8,000 in educational
37 scholarships may be awarded under this program with respect to an
38 eligible student.

39 Sec. 3. K.S.A. 2024 Supp. 72-4357 is hereby amended to read as
40 follows: 72-4357. (a) ~~(1) There shall be allowed a credit against the~~
41 ~~corporate income tax liability imposed upon a taxpayer pursuant to the~~
42 ~~Kansas income tax act, the privilege tax liability imposed upon a taxpayer~~
43 ~~pursuant to the privilege tax imposed upon any national banking~~

1 association, state bank, trust company or savings and loan association
2 pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and
3 amendments thereto, and the premium tax liability imposed upon a
4 taxpayer pursuant to the premiums tax and privilege fees imposed upon an
5 insurance company pursuant to K.S.A. 40-252, and amendments thereto,
6 for tax years commencing after December 31, 2014, and ending before
7 January 1, 2017, an amount equal to 70% of the amount contributed to a
8 scholarship granting organization authorized pursuant to K.S.A. 72-4351
9 et seq., and amendments thereto.

10 (2)—There shall be allowed a credit against the tax liability imposed
11 upon a taxpayer pursuant to the Kansas income tax act, the privilege tax
12 liability imposed upon a taxpayer pursuant to the privilege tax imposed
13 upon any national banking association, state bank, trust company or
14 savings and loan association pursuant to article 11 of chapter 79 of the
15 Kansas Statutes Annotated, and amendments thereto, and the premium tax
16 liability imposed upon a taxpayer pursuant to the premiums tax and
17 privilege fees imposed upon an insurance company pursuant to K.S.A. 40-
18 252, and amendments thereto:

19 (A) For tax years commencing after December 31, 2016, and ending
20 before January 1, ~~2022~~ 2023, an amount equal to 70% of the amount
21 contributed to a scholarship granting organization authorized pursuant to
22 K.S.A. 72-4351 et seq., and amendments thereto; ~~and~~ *and*

23 (B) for tax years commencing after December 31, 2022, ~~and ending~~
24 ~~before January 1, 2025~~, an amount equal to 75% of the amount
25 contributed to a scholarship granting organization authorized pursuant to
26 K.S.A. 72-4351 et seq., and amendments thereto; ~~and~~

27 ~~(C) for tax years commencing after December 31, 2024, an amount~~
28 ~~equal to 100% of the amount contributed to a scholarship granting~~
29 ~~organization authorized pursuant to K.S.A. 72-4351 et seq., and~~
30 ~~amendments thereto.~~

31 (3)(2) In no event shall the total amount of contributions for any
32 taxpayer allowed under this subsection exceed \$500,000 for any tax year.

33 (b) The credit shall be claimed and deducted from the taxpayer's tax
34 liability during the tax year in which the contribution was made to any
35 such scholarship granting organization.

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

39 (2) *In each tax year commencing after December 31, ~~2024~~ 2025, the*
40 *secretary shall determine whether the total amount of credits claimed*
41 *pursuant to this subsection exceeds 75% of the aggregate credit limit*
42 *established pursuant to this subsection. If the secretary determines that the*
43 *total amount of credits claimed exceeds 75% of the aggregate credit limit,*

1 *such aggregate credit limit shall be increased by 25% for the succeeding*
2 *tax year; except that in no event shall such aggregate credit limit exceed*
3 ~~*\$20,000,000*~~ ***\$25,000,000.***

4 (3) Except as otherwise provided, the allocation of such tax credits
5 for each scholarship granting organization shall be determined by the
6 scholarship granting organization in consultation with the secretary, and
7 such determination shall be completed prior to the issuance of any tax
8 credits pursuant to this section.

9 (d) If the amount of any such tax credit claimed by a taxpayer
10 exceeds the taxpayer's income, privilege or premium tax liability, such
11 excess amount may be carried over for deduction from the taxpayer's
12 income, privilege or premium tax liability in the next succeeding year or
13 years until the total amount of the credit has been deducted from tax
14 liability.

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

18 Sec. 4. K.S.A. 72-4353 and K.S.A. 2024 Supp. 72-4352 and 72-4357
19 are hereby repealed.

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