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MEMORANDUM

To: Chairperson Estes
Members of the House Committee on Education

From: The Office of Revisor of Statutes

Date: January 21, 2026

Subject: HB 2468 – Tax credits for contributions to scholarship granting organizations.

House Bill No. 2468 (HB 2468) would make changes to state law to allow taxpayers who make qualifying contributions to scholarship granting organizations to claim tax credits for such contributions under federal law and increase the total amount allowable for such credits under state law.

New section 1 of the bill is an election provision. With its enactment, Kansas would become a “covered state” under the federal tax credit program. Taxpayers in Kansas would be able to claim up to \$1,700 in tax credit against the taxpayer’s federal income tax liability for contributions made to a scholarship granting organization. Under the federal program, a scholarship granting organization must:

- Provide scholarships to 10 or more eligible students who do not all attend the same school. Eligible students must have a household income of not more than 300% of the area median gross income.
- Use at least 90% of its income on scholarships.
- Only grant scholarships for qualified education expenses.
- Give priority to students who previously received a scholarship and their siblings.
- Verify the household income of the eligible student.

The State Treasurer must submit a list of qualifying scholarship granting organizations to the U.S. Secretary of the Treasury for the contributions to qualify for the tax credit.

Section 2 of HB 2468 amends K.S.A. 72-4357 regarding the state tax credit for contributions to scholarship granting organizations under the Tax Credit for Low Income

Students Scholarship Program Act. Under the state program, taxpayers can claim up to \$500,000 in tax credits against their state income tax liability for contributions made to qualifying scholarship granting organizations. Scholarship granting organizations have different requirements under the state program, so not all organizations that qualify under the state program may qualify under the federal program. Additionally, the federal program does not allow taxpayers to claim a credit under both federal and state law for the same contribution.

Currently, the state tax credits are limited to an aggregate annual amount of \$10,000,000. HB 2468 would increase this amount starting this tax year to \$20,000,000. The bill also provides for an automatic aggregate limit increase of up to 25% of the preceding years limit if the amount of tax credits claimed exceeds 75% of the aggregate limit. The automatic increases would be capped at \$30,000,000.

HB 2468 also strikes the corporate income tax credit provision in K.S.A. 72-4357.

If enacted, HB 2468 would become effective on July 1, 2026.