

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

LEGISLATURE *of* THE STATE *of* KANSAS  
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**MEMORANDUM**

To: Members of the House Committee on Taxation  
From: Office of Revisor of Statutes  
Date: February 10, 2025  
Subject: House Bill No. 2208 (As Introduced)

**Summary**

House Bill No. 2208 enacts the endow Kansas tax credit act providing a tax credit for endowment gifts to certain endowment funds held by qualified community foundations.

The bill provide an income and privilege tax credit starting in tax year 2026 in an amount equal to 70% of the amount of an endowment gift by a taxpayer during the taxable year to an unrestricted permanent endowment fund or field of interest permanent endowment fund held by a qualified community foundation. A minimum endowment gift of \$500 by a taxpayer shall be required for such taxpayer to qualify for a credit.

The total aggregate amount of credits allowed pursuant for each taxable year shall not exceed \$3,000,000 for tax year 2026, \$4,000,000 for tax year 2027 and \$5,000,000 for tax year 2028, and each tax year thereafter.

In no event shall the total amount of credits for endowment gifts to a single qualified community foundation, excluding affiliates, or to a single affiliate of a qualified community foundation exceed 10% of the total aggregate amount of credits per tax year.

The amount of such credit awarded to a taxpayer for a taxable year shall not exceed:

(A) \$100,000 for an individual or fiduciary taxpayer subject to the income tax;  
(B) \$200,000 for married taxpayers filing a joint return; or  
(C) \$200,000 for any taxpayer subject to the income tax on corporations or the privilege tax on financial institutions.

If the amount of the credit exceeds the taxpayer's tax liability, the excess portion of the credit may be carried forward in the succeeding taxable years until the total amount of the credit is used, except that no credit may be claimed after five taxable years next succeeding the taxable year that such credit was issued. The credit shall not be transferable.

In order to participate under the bill, a qualified community foundation shall apply to the department of revenue for a certification that the qualified community foundation satisfies all the criteria to be considered a qualified community foundation.

Prior to claiming any credit on a return, a taxpayer shall apply for credits with the department on forms furnished by the department. In the application, the taxpayer shall certify the dollar amount of the endowment gift made or to be made during the taxable year, the name of the certified qualified community foundation and any other information that may be required by the department to determine whether the taxpayer qualifies for such credit.

Within 30 days after the receipt of an application from a taxpayer that the department determines may qualify for a credit under this section, the department shall allocate credits. If the department cannot allocate the full amount of credits to an applicant due to the limit on the total aggregate amount of credits that may be awarded per tax year or the limit on the total amount of credits allowed for endowment gifts to a single qualified community foundation or a single affiliate per tax year, the department shall notify the applicant within 30 days with the amount of credits, if any, that may be allocated to the applicant or that credits are no longer available for such tax year. Once the department has allocated credits to a taxpayer, if the endowment gift for which a credit is allocated has not been made as of the date of the allocation, then the endowment gift must be made not later than 30 days from the date of the allocation and also not later than the end of the tax year for which the credits are allocated. If the endowment gift is not made within such time period, the allocation shall be cancelled and returned to the department for reallocation. All endowment gifts shall be made by the end of the tax year for which the credits are allocated. A valid written notice of the amount of credits allocated to a taxpayer from the department is required in order for a taxpayer to claim the credit on a return.