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LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

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**MEMORANDUM**

To: Senate Committee on Commerce  
From: Office of Revisor of Statutes  
Date: March 6, 2025  
Subject: House Bill No. 2119, As Amended by House Committee

**Summary**

House Bill No. 2119, as amended by the House Committee on Commerce, Labor and Economic Development, would discontinue the Kansas Affordable Housing Tax Credit Act on July 1, 2025, except as provided for certain allocations.

The Kansas Affordable Housing Tax Credit Act, K.S.A. 2024 Supp. 79-32,304 through 79-32,309, provides for income, privilege and premium tax credits for qualified developments in an amount equal to the amount of the federal tax credit (the I.R.C. Section 42 low-income housing tax credit (LIHTC)) allocated by the KHRC to such qualified development, commencing with tax year 2023.

- *Qualified Allocation Plan.* The Kansas Housing Resources Corporation (KHRC) administers the federal Section 42 LIHTC program in Kansas and adopts an annual qualified allocation plan pursuant to Section 42(m) to facilitate making allocation awards.
- *Credit Period.* The tax credit allocation or award is for each year of the credit period, which is 10 taxable years beginning with the taxable year in which the building is placed in service or, at the taxpayer's election, the succeeding taxable year.
- *Carry Forward.* Excess unused credit amounts may be carried forward as a credit against subsequent years' tax liability for up to 11 tax years.

The bill as introduced would have amended K.S.A. 2024 Supp. 79-32,306 to discontinue the act on July 1, 2025, except that such provisions would continue to apply through the credit period, and any applicable carry forward period, of an affordable housing tax credit allocation awarded to the owner of a qualified development by the KHRC *before July 1, 2025*, and provided that no allocation of a credit shall be awarded by the KHRC after June 30, 2025.

The House Committee amendments modified the exception to allow the provisions of the act to continue to apply through the credit period, and any applicable carry forward period, of an affordable housing tax credit allocation awarded to the owner of a qualified development by the KHRC *with respect to a qualified allocation plan for the years up to and including the 2025 qualified allocation plan*. The following provisions were also included:

- No allocation of a credit shall be awarded by the KHRC pursuant to a qualified allocation plan subsequent to the 2025 qualified allocation plan.
- The KHRC shall not accept any applications for the 4% low income housing tax credit after August 15, 2025, and shall not approve any applications for the 4% low income housing tax credit after November 14, 2025.
- The KHRC shall not accept any applications for the 9% low income housing tax credit after May 23, 2025, and shall not approve any such applications after August 8, 2025.

The bill would take effect from and after its publication in the statute book.

The bill passed the House on February 20, 2025, on a vote of 85-36.