

**CONFERENCE COMMITTEE REPORT BRIEF  
HOUSE BILL NO. 2289**

As Agreed to April 11, 2025

**Brief\***

HB 2289 would make changes to the Kansas Affordable Housing Tax Credit and Kansas Housing Investor Tax Credit programs and provide for the incremental discontinuation of the Kansas Affordable Housing Tax Credit Program.

***Kansas Affordable Housing Tax Credit***

The bill would discontinue the Kansas Affordable Housing Tax Credit match for qualified developments receiving a 4 percent federal low-income housing credit subsequent to the 2025 Qualified Allocation Plan. The bill would also limit the match for qualified developments receiving a 9 percent federal credit to \$8.8 million annually beginning in 2026 and discontinue the match subsequent to the 2028 Qualified Allocation Plan.

The total amount of credits awarded for either match amount would be limited to \$25.0 million for the 2025 plan year.

[*Note:* The Qualified Allocation Plan governs how the low-income housing tax credits are awarded and is reviewed by the Kansas Housing Resources Corporation (KHRC) annually.]

Any such credit awarded for a plan year would continue to apply through the credit period and any applicable carry-forward period.

***Kansas Housing Investor Tax Credit***

The bill would provide, retroactive to tax year 2022, that tax credits under the Kansas Housing Investor Tax Credit Act could be claimed by transferees of the credit beginning in the year in which the qualifying investment for the credit was made.

[*Note:* Current law allows transferees to begin claiming the credits in the year in which the credits are transferred.]

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\*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <https://klrd.gov/>

## Conference Committee Action

The Conference Committee agreed to remove the contents of HB 2289, pertaining to personalized license plates, and to insert the provisions of:

- HB 2119, as amended by the Senate Committee on Commerce, and as further amended to:
  - Limit the annual total amount of credits awarded in the 2025 plan year to \$25.0 million;
  - Limit the annual total amount of credits awarded each plan year subsequent to 2025 to \$8.8 million; and
  - Discontinue the Affordable Housing Tax Credit Program subsequent to the 2028 Qualified Allocation Plan; and
- HB 2096, as passed by the House.

## Background

The Conference Committee report contains provisions from HB 2219 and HB 2096. Background information for each bill is provided below.

### ***HB 2119 (Kansas Affordable Housing Tax Credit)***

The bill was introduced by House Committee on Commerce, Labor and Economic Development at the request of Representative Tarwater.

#### *House Committee on Commerce, Labor and Economic Development*

In the House Committee hearing, **Opponent** testimony was provided by representatives of the City of Topeka, Advance Capital, Kansas Action for Children, Kansas Bankers Association, Kansas Economic Development Alliance, Kansas Housing Association, Kansas Interfaith Action, Sugar Creek Capital, The Prime Company, and United Community Services of Johnson County. The opponents generally stated the bill would reduce the amount of housing being built in Kansas and the associated jobs and would hinder workforce development.

Written-only opponent testimony was provided by representatives of the cities of Garden City, Lawrence, and Salina; AMD Partners; Boutique Retirement Clubs; Commonwealth Development Corporation of America; Community Housing of Wyandotte County; EmberHope; Enterprise Community Partners; Health Forward Foundation; Hutchinson/Reno County Chamber of Commerce; Jones Gilliam Renz Architects, Inc.; Kansas Statewide Homeless Coalition; Lawrence Chamber of Commerce; Lawrence-Douglas County Public Health; LISC Greater Kansas City; Marian Group; MCP Group; Mennonite Housing; Overland Construction Group; Overland Property Group; Raymond James; Red Stone Equity Partners; Salina Chamber of Commerce; SENT, Inc.; Southwest Kansas Coalition; Thrive Allen County; and Wheatland Investments Group; and by a private citizen.

Neutral testimony was provided by representatives of the KHRC and League of Kansas Municipalities. The testimony generally stated the bill as introduced would take away credits that have been awarded.

No other testimony was provided.

The House Committee amended the bill to include the credits awarded under the 2025 Qualified Allocation Plan.

#### *Senate Committee on Commerce*

In the Senate Committee hearing, **opponent** testimony was provided by representatives of American Institute of Architects, Kansas Chapter; Kansas Action for Children; Kansas Economic Development Alliance; Kansas Housing Association; and Sugar Creek Capital, and by a private citizen. The opponents generally stated the Affordable Housing Tax credit is an essential tool for making affordable housing available within Kansas in addition to generating substantial economic activity that also benefits the state.

Written-only opponent testimony was provided by representatives of Advantage Capital; City of Topeka; Health Forward Foundation; Johnson County, Kansas, and Johnson County Board of County Commissioners; Kansas Association of Realtors; Kansas Interfaith Action; Kansas Statewide Homeless Coalition; Lawrence Chamber of Commerce; and United Community Services of Johnson County.

Neutral testimony was provided by a representative of the KHRC.

No other testimony was provided.

The Senate Committee amended the bill to remove discontinuation of the credit for developments receiving a 9 percent federal tax credit.

#### ***HB 2096 (Kansas Housing Investor Tax Credit)***

The bill was introduced by the House Committee on Taxation at the request of a representative of Friends of Historic Preservation.

#### *House Committee on Taxation*

In the House Committee hearing, **proponent** testimony was provided by representatives of Friends of Historic Preservation, Frontier Development Group, and Kansas Bankers Association. The proponents generally stated the current provision for transferability results in one year in which the credits that could be claimed being lost, causing the credits to have less value.

Written-only proponent testimony was provided by representatives of Commerce Bank and Kansas Association of Realtors.

No other testimony was provided.

## **Fiscal Information**

### ***HB 2119 (Kansas Affordable Housing Tax Credit)***

A revised fiscal note on HB 2119, as amended by the House Committee on Taxation, was not immediately available.

### ***HB 2096 (Kansas Housing Investor Tax Credit)***

According to the fiscal note prepared by the Division of the Budget on HB 2096, the Department of Revenue indicates enactment of the bill would have no fiscal effect.

Taxation; tax credits; Kansas Housing Investor Tax Credit; transferability; Kansas Affordable Housing Tax Credit; sunset

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