

March 10, 2025

The Honorable Adam Smith, Chairperson
House Committee on Taxation
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Smith:

SUBJECT: Fiscal Note for HB 2387 by House Committee on Taxation

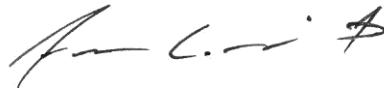
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2387 is respectfully submitted to your committee.

Under current law, taxpayers who contribute to the Friends of Cedar Crest Foundation can receive a non-refundable income tax credit for 50.0 percent of the total amount of the contribution through tax year 2025. HB 2387 would continue this tax credit through tax year 2035.

Estimated State Fiscal Effect			
	FY 2025	FY 2026	FY 2027
Expenditures			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	--	--
Revenues			
State General Fund	--	--	(\$350,000)
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	(\$350,000)
FTE Positions	--	--	--

The Department of Revenue estimates that HB 2387 would decrease State General Fund revenues by \$350,000 in FY 2027 and in future fiscal years. Eligible donations totaling \$700,000 to the Friends of Cedar Crest Foundation would allow taxpayers to claim \$350,000 in tax credits, which is the maximum amount of tax credits that could be claimed in tax year 2026 or FY 2027. Individual income taxpayers would still only be allowed to claim up to \$25,000 per tax year, and corporation income and privilege taxpayers would only be able to claim \$50,000 per tax year. The total amount of the tax credit is still capped at \$350,000 for any fiscal year and any unused tax credits would not be allowed to be carried forward into future tax years. The Department indicates the bill would have no fiscal effect on its operations. Any fiscal effect associated with HB 2387 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue