Changes to Housing Tax Credit Programs; HB 2289

HB 2289 makes changes to the Kansas Affordable Housing Tax Credit and Kansas Housing Investor Tax Credit programs and provides for the incremental discontinuation of the Kansas Affordable Housing Tax Credit Program.

Kansas Affordable Housing Tax Credit

The bill discontinues 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 also limits the match for qualified developments receiving a 9 percent federal credit to $8.8 million annually beginning in 2026 and discontinues the match subsequent to the 2028 Qualified Allocation Plan.

The total amount of credits awarded for either match amount is 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 annually.]

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

Kansas Housing Investor Tax Credit

The bill provides, retroactive to tax year 2022, that tax credits under the Kansas Housing Investor Tax Credit Act can be claimed by transferees of the credit beginning in the year in which the qualifying investment for the credit is made. [*Note:* Previous law allowed transferees to begin claiming the credits in the year in which the credits were transferred.]