

SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2468

As Amended by House Committee on Education

Brief*

HB 2468, as amended, would authorize the state of Kansas to participate in the federal tax credit program for contributions of individuals to scholarship granting organizations and would increase the aggregate credit limit on the state's Tax Credit for Low Income Scholarship Students (TCLISS) Program.

Federal Tax Credit Election

The bill would state that Kansas elects to participate in the federal tax credit for contributions of individuals to scholarship granting organizations (SGOs) pursuant to Section 25F of the federal Internal Revenue Code for all taxable years beginning after December 31, 2026. [Note: This federal tax credit was created by Public Law 119-21, also known as H.R.1 of the 119th Congress.]

The bill would direct the State Treasurer to annually provide to the Secretary of the Treasury or the Secretary's delegate any required information, including, but not limited to, a list of the SGOs that meet the requirements described in Section 25F of the Internal Revenue Code and are located in Kansas.

The bill would also prohibit any state department, division, or other agency from promulgating any rules and regulations that are more stringent than the applicable federal law or rules and regulations in implementing this section.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

Tax Credit for Low Income Students Scholarship

The bill would amend the Tax Credit for Low Income Students Scholarship Program Act for tax years 2026 and every year thereafter to increase the aggregate limit on credits allowed from \$10 million to \$20 million for any one tax year.

The bill would require the Secretary of Revenue (Secretary) to review the total amount of credits claimed for TCLISS every tax year, commencing after December 31, 2026. Should the Secretary determine the amount of credits claimed has exceeded 75 percent of the aggregate credit limit, the credit limit would be increased by 25 percent for the succeeding year, up to a maximum of \$30 million.

The bill would also require the Secretary submit a report to the Legislature on January 15, 2027, and each January 15th thereafter on the aggregate amount of credits claimed during the immediately preceding tax year and the limit on such credits for the current year.

The bill would also make technical and conforming changes, which include removing outdated provisions that reference tax years 2014 to 2017.

Background

The bill was introduced by the House Committee on Education.

House Committee on Education

In the House Committee hearing, **proponent** testimony was provided by representatives of the Catholic Diocese of Dodge City, Catholic Diocese of Wichita, Catholic Education Foundation, and Kansas Policy Institute and two private citizens. The proponents generally stated that opting into the

federal tax credit program and increasing the aggregate tax credit limit on the TCLISS program would provide more scholarship opportunities for students in the state, and they expressed concerns that not opting-in to the federal program would result in Kansas tax dollars being sent to other states.

Written-only proponent testimony was provided by representatives of Ace Scholarships, Aligned, Americans for Prosperity, Catholic Diocese of Salina, Hayden Catholic High School, Kansas Catholic Conference, Kansas Family Voice, and Yes Every Kid and five private citizens.

Neutral testimony was provided by a representative of the America First Policy Institute.

Opponent testimony was provided by representatives of Game On for Kansas Schools, Kansas Association of School Boards, Kansas Interfaith Action, Kansas National Education Association, Kansas Parent Teacher Association, and United School Administrators and a private citizen. The conferees generally expressed concerns about public funds being used for private schools and equitable access to private schools.

Written-only opponent testimony was provided by representatives of the Kansas State Board of Education, Mainstream Coalition, Stand Up Blue Valley, USD 229 (Blue Valley), USD 233 (Olathe), and USD 512 (Shawnee Mission) and 39 private citizens.

The House Committee amended the bill to insert provisions to:

- Prohibit any state department, division, or other agency from promulgating any rules and regulations that are more stringent than the applicable federal law or rules and regulations; and
- Require the Secretary of Revenue submit a report to the Legislature each January 15th.

Fiscal Information

According to the Kansas Department of Revenue, the bill, as introduced, would have an estimated fiscal impact of reducing State General Fund receipts by \$0.8 million in FY 2027, \$1.9 million in FY 2028, and \$2.9 million in FY 2029.

Education; Tax Credit for Low Income Students Scholarship Program; private schools; K-12 education; scholarships; tax credit