

**UPDATED**  
*SESSION OF 2022*

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2315**

As Amended by Senate Committee on  
Assessment and Taxation

**Brief\***

HB 2315, as amended, would provide for a nonrefundable tax credit for donors to Kansas technical colleges and community colleges.

“Technical college,” as defined by the bill, would include the Flint Hills, Manhattan Area, North Central Kansas, and Salina Area Technical Colleges, in addition to the Washburn University Institute of Technology and the Wichita State University Campus of Applied Sciences and Technology.

Contributions to a Kansas technical college or community college for capital improvements, deferred maintenance, or technology or equipment purchases would be eligible for a 60 percent non-refundable credit against:

- Income tax;
- Insurance premium tax and privilege fees; or
- Financial net income privilege tax.

The credit would have an annual limit of \$1.0 million for each taxpayer, not to exceed \$1.0 million for any one technical college. The total annual value of credits could not exceed \$7.0 million.

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\*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 <http://www.kslegislature.org>

Prior to the issuance of any credits under this tax credit program, the bill would require participating technical colleges and community colleges to develop a process for qualifying contributions as allowable deductions from federal adjusted gross income, in consultation with the Secretary of Revenue.

Technical colleges and community colleges would be required to deposit contributions to its capital outlay funds.

The program would apply to contributions made after July 1, 2022, and would sunset in tax year 2026.

### **Background**

The bill was introduced by the House Committee on Taxation at the request of the Kansas Association of Technical Colleges.

### ***House Committee on Taxation***

In the House Committee hearing, **proponent** testimony was provided by representatives of the Kansas Association of Community College Trustees and the Kansas Association of Technical Colleges. The proponents stated Kansas technical colleges provide an outsized economic benefit to the state relative to the amount of funding they receive, and the bill would help them to have even more of a positive economic impact.

Written-only proponent testimony was provided by a representative of Washburn University.

No other testimony was provided.

### ***Senate Committee on Assessment and Taxation***

In the Senate Committee hearing, **proponent** testimony was provided by representatives of Kansas Technical

Colleges and the Kansas Association of Community College Trustees. Written-only proponent testimony was provided by a representative of Washburn University.

No other testimony was provided.

The Senate Committee amended the bill to include community colleges in the tax credit program, double the maximum credit amounts in the bill, reduce the percentage of the credit from 100 to 60, eliminate the refundability of the credit, and move the relevant dates back by one year.

### **Fiscal Information**

The Department of Revenue indicates the bill would reduce State General Fund receipts by \$7.0 million in FY 2023 through FY 2027.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2023 Governor's Budget Report*.

Taxation; income tax; credits; technical colleges; community colleges