

NOTICE 22-03

**COMMUNITY COLLEGE AND TECHNICAL COLLEGE
CONTRIBUTIONS TAX CREDIT**

(JULY 1, 2022)

During the 2022 Legislative Session House Bill 2239 was passed and signed into law. Section 42 of the Bill amends K.S.A. 79-32,261 and provides an income or privilege tax credit for tax years 2022, 2023, 2024, 2025, and 2026, for contributions to a community college or technical college for capital improvements, deferred maintenance or the purchase of technology or equipment.

The amount of the credit is limited to 60% of the amount contributed and taxpayers may begin making contributions to a designated community college or designated technical college beginning July 1, 2022. Contributions shall include the donation of cash, stocks and bonds, personal property and real estate. The amount of the credit awarded for each taxpayer shall not exceed \$250,000 per tax year. The total of credits allowed for contributions to any one community college or technical college shall not exceed \$500,000 per tax year. In addition, the aggregate amount of credits allowed is limited to \$5,000,000 for each tax year.

The credit reduces the taxpayer's tax liability for the year the contribution is made. The credit is not refundable and cannot be carried over to another year.

Contributions may be made to the following community colleges and technical colleges.

Designated Community Colleges

Allen Community College
Barton Community College
Butler Community College
Cloud County Community College
Coffeyville Community College
Colby Community College
Cowley Community College
Dodge City Community College
Fort Scott Community College
Garden City Community College

Highland Community College
Hutchinson Community College
Independence Community College
Johnson County Community College
Kansas City Kansas Community College
Labette Community College
Neosho County Community College
Pratt Community College
Seward County Community College

Designated Technical Colleges

Flint Hills Technical College
Manhattan Area Technical College
North Central Kansas Technical College
Northwest Kansas Technical College

Salina Area Technical College
Washburn Institute of Technology
WSU Campus of Applied Sciences and Technology

Amended Language

Specifically, the amendments to K.S.A. 79-32,261(a)(2) provide:

(a)(2) On and after July 1, 2022, any taxpayer who contributes in the manner prescribed by this paragraph to a community college or technical college located in Kansas for capital improvements, deferred maintenance or the purchase of technology or equipment shall be allowed a credit against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto. The tax credit allowed by this paragraph is applicable for the tax year 2022 for any contributions made on and after July 1, 2022, and for the tax years 2023, 2024, 2025 and 2026 for any contributions made during the entire tax year. The amount of the credit allowed by this paragraph shall equal 60% of the total amount contributed during the taxable year by the taxpayer to a community college or a technical college located in Kansas for such purposes. Prior to the issuance of any tax credits pursuant to this paragraph, the structure of the process in which contributions received by a community college or technical college qualify as tax credits allowed and issued pursuant to this paragraph shall be developed by a community college and technical college in consultation with the secretary of revenue and the foundation or endowment association of any such community college or technical college in a manner that complies with requirements specified in the federal internal revenue code of 1986, as amended, so that contributions qualify as charitable contributions allowable as deductions from federal adjusted gross income.

K.S.A. 79-32,261(b)(4) provides:

Upon receipt of any such contributions to a community college or technical college made pursuant to the provisions of subsection (a) (2), the treasurer of the community college or technical college shall deposit such contributions to the credit of the capital outlay fund of such community college or technical college established as provided by K.S.A. 71-501a, and amendments thereto. Expenditures from such fund shall be made for the purposes designated for such fund pursuant to law.

K.S.A. 79-32,261(c)(3), (4) and (5) provides:

(3) For the tax years 2022 through 2026, the amount of such credit awarded under subsection (a)(2) for each taxpayer shall not exceed \$250,000 per tax year.

(4) In no event shall the total of credits allowed under subsection (a)(2) for contributions to any one community college or technical college exceed \$500,000 per tax year.

(5) In no event shall the total of credits allowed under subsection (a)(2) exceed \$5,000,000 for each tax year that the credit remains in effect.

Those claiming the credit should complete Schedule K-84, which must be filed with the Kansas income or privilege tax return.

TAXPAYER ASSISTANCE

Additional copies of this notice, forms or publications are available from our web site, www.ksrevenue.gov. If you have questions about this Notice, please contact:

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