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NOTICE 26-03

CHANGES TO ANGEL INVESTOR, EISENHOWER FOUNDATION, CEDAR CREST, AND AVIATION CREDITS

(JULY 1, 2026)

During the 2026 Legislative Session House Bill 2464 was passed and signed into law. The Bill amends Kansas law affecting certain income tax credits.

Section 1 of the Bill amends K.S.A. 74-8133 which provides an income tax credit for an angel investor. As defined in K.S.A. 74-8132(a), an angel investor is an accredited investor who is a natural person or an owner of a permitted entity investor, who is of high net worth, as defined in 17 C.F.R. § 230.501(a), as in effect on July 1, 2004, and who seeks high returns through private investments in start-up companies and may seek active involvement in business, such as consulting and mentoring the entrepreneur.

Specifically, K.S.A. 74-8133(b) is amended to extend the credit through tax year 2031, and includes a new provision which provides that, for tax year 2027 and all tax years thereafter, at least 25% of the total amount of tax credits that may be allowed each tax year shall be utilized for investors investing in qualified Kansas businesses located in counties with a population of 50,000 or fewer, in years that the number of requests is sufficient to allow such distribution of tax credits. The determination of whether there are sufficient requests shall be made based on the requests received on or before October 1 of each year.

Section 2 of the Bill amends K.S.A. 79-32,274 to extend the sunset date of the tax credit for contributions to the Eisenhower Foundation from taxable years beginning before January 1, 2026 to taxable years beginning before January 1, 2031. Contributions to the Eisenhower Foundation made prior to January 1, 2031 may continue to qualify for the credit. However, the aggregate amount of credits claimed pursuant to this section will not exceed $350,000 for any fiscal year. For additional information about the Eisenhower Foundation credit, see Notice 21-10 Eisenhower Foundation Credit.

Section 3 of the Bill amends K.S.A. 79-32,275 to extend the sunset date of the tax credit for contributions to the Friends of Cedar Crest Association from taxable years beginning before January 1, 2026 to taxable years beginning before January 1, 2031. Contributions to the Friends of Cedar Crest Association made prior to January 1, 2031 will continue to qualify for the credit. However, the aggregate amount of credits claimed pursuant to this section will not exceed $350,000 for any fiscal year. For additional information about the Friends of Cedar Crest Association, see Notice 21-11 Friends of Cedar Crest Association Credit.

Section 4 of the Bill amends K.S.A. 79-32,295 to extend the sunset date of the tax credits for graduates of aerospace and aviation-related programs and employers of program graduates (K.S.A. 79-32,290), including the tax credit for qualified employer tuition reimbursement (K.S.A. 79-32,291), the credit for qualified employer for compensation paid to qualified employees (K.S.A. 79-32,292), and the credit for qualified employees (K.S.A. 79-32,293), from December 31, 2026 to December 31, 2031. No new credits can be issued or earned after December 31, 2031. For additional information regarding the aviation-related credits, see Notice 22-10 Aviation and Aerospace Tax Credits.

The amendments become effective July 1, 2026.

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