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NOTICE 21-11

FRIENDS OF CEDAR CREST ASSOCIATION CREDIT
(JULY 1, 2021)

During the 2021 Legislative Session Senate Bill 47 was passed and signed into law. New Section 8 of the Bill creates an income or privilege tax credit for tax years 2021, 2022, 2023, 2024, and 2025, for contributions to the Friends of Cedar Crest Association. The amount of the credit is limited to 50% of the amount contributed to the Associate, and is further limited to $25,000 for resident individuals and $50,000 for corporations or privilege taxpayers, in any one taxable year. Nonresident individuals may not claim the credit. In addition, the aggregate amount of credits allowed is limited to $350,000 for any taxable year.

The amount of the credit is also limited to the amount of tax due after all other credits have been allowed. 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.

Specifically, the new statutory language provides:

New Sec. 8. (a) For taxable years commencing after December 31, 2020, and before January 1, 2026, there shall be allowed a credit against the tax imposed by the Kansas income tax act and the privilege tax pursuant to K.S.A. 79-1106 et seq., and amendments thereto, in an amount equal to 50% of the total amount contributed during the taxable year by a taxpayer subject to income tax pursuant to K.S.A. 79-32,110(a) or (c), and amendments thereto, or subject to the privilege tax pursuant to K.S.A. 79-1107 and 79-1108, and amendments thereto, to the friends of cedar crest association.

(b) The amount of such credit awarded to a taxpayer in a taxable year pursuant to this section shall not exceed:

(1) $25,000 for any taxpayer subject to the income tax on resident individuals imposed pursuant to K.S.A. 79-32,110(a), and amendments thereto; or

(2) $50,000 for any taxpayer subject to the income tax on corporations imposed pursuant to K.S.A. 79-32,110(c), and amendments thereto, or the privilege tax on financial institutions pursuant to K.S.A. 79-1107 and 79-1108, and amendments thereto.

(c) The aggregate amount of credits claimed pursuant to this section shall not exceed $350,000 for any fiscal year.

(d) The credit allowed by this section shall not exceed the amount of tax imposed under the Kansas income tax act or the privilege tax reduced by the sum of any other credits allowable pursuant to law. Such credit shall be deducted from the taxpayer's income or privilege tax liability for the taxable year in which the contributions are made by the taxpayer. The taxpayer shall not be allowed to carry forward any amount of such credit exceeding the taxpayer's income or privilege tax liability.

Those claiming the credit should complete Schedule K-46, 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.org. If you have questions about this Notice, please contact:

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