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NOTICE 22-12

HISTORIC PRESERVATION TAX CREDIT

(NOVEMBER 10, 2022)

During the 2022 Legislative Session House Bill 2237 was passed and signed into law. Section 24 of the Bill amends the historic preservation tax credit found in K.S.A. 79-32,211. The amendments add two new credit provisions to the statute.

Under current law, which continues in effect, a historic preservation tax credit is permitted for 25% of qualified expenditures (30% for nonprofit organizations) for restoration and preservation of a qualified historic structure, if the total amount of expenditures equals $5,000 or more.

Under the new provisions found in subsection (a)(2) and (3), for all tax years beginning 2022 and all tax years thereafter, if, pursuant to a qualified rehabilitation plan by a qualified taxpayer, the total amount of expenditures equals $5,000 or more the credit will equal:

- 30% of qualified expenditures incurred in the restoration and preservation of a qualified historic structure located in a city with a population between 9,500 and 50,000; or

- 40% of qualified expenditures incurred in the restoration and preservation of a qualified historic structure located in a city with a population of less than 9,500.

New subsection (c) requires any bank, savings and loan association, or savings bank to pay taxes on 50% of the interest earned on loans to qualified taxpayers used for qualified expenditures for the restoration and preservation of a qualified historic structure, beginning in tax year 2022.

To claim the credit, the taxpayer should complete and submit a Kansas Schedule K-35 with their income tax return.

For information regarding the recently enacted Historic Kansas Act, that is also part of House Bill 2237, see Notice 22-10 Commercial Restoration and Preservation Credit which is available through the Department's website at: www.ksrevenue.gov.

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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