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NOTICE 23-03

TAX CREDIT FOR LOW-INCOME STUDENTS SCHOLARSHIP CONTRIBUTIONS

(JULY 17, 2023)

During the 2023 Legislative Session House Substitute for Senate Bill 113 was passed and signed into law. Section 12 of the Bill amended K.S.A. 2022 Supp. 72-4352 to change the definitions of "eligible student" and "qualified school" for purposes of the tax credit for low-income students scholarship program act. In addition, Section 13 of the Bill amended K.S.A. 72-4357 to change the amount of the tax credit that is allowed for a contribution to a scholarship granting organization.

Specifically, Section 12 of the Bill amended K.S.A. 2022 Supp. 72-4352(d) to change the definition of "eligible student" as follows:

(d) "Eligible student" means a child who:

(1) Resides in Kansas; and

(2) (A) (i) ~~Is eligible for free or reduced-price meals under the national school lunch act~~ *Has an annual family income that is less than or equal to 250% of the federal poverty guidelines as determined annually in the federal register by the United States department of health and human services under 42 U.S.C. § 9902(2);* and

(ii) (a) was enrolled in kindergarten or any of the grades one through eight in any public school in the previous school year in which an educational scholarship is first sought for the child; or

(b) is eligible to be enrolled in any public school in the school year in which an educational scholarship is first sought for the child and the child is seven years of age or under; or

(B) has received an educational scholarship under the program and has not graduated from high school or reached the age of 21 years.

In addition, Section 12 of the Bill amended K.S.A. 2022 Supp. 72-4352(h) to change the definition of "qualified school" as follows:

(h) "Qualified school" means any nonpublic school that:

(1) Provides education to elementary or secondary students;

(2) is accredited by the state board or a national or regional accrediting agency that is recognized by the state board for the purpose of satisfying the teaching performance assessment for professional licensure *or is working in good faith toward such accreditation;*

(3) has notified the state board of its intention to participate in the program; and

(4) complies with the requirements of the program.

Section 13 of the Bill amended K.S.A. 2022 Supp. 72-4357 to allow, for tax years commencing after December 31, 2022, a credit in the increased amount of 75% of the taxpayer's contribution to a scholarship granting organization authorized pursuant to K.S.A. 72-4351 et seq. and amendments thereto. The credit is available to taxpayer's who pay Kansas income, corporate income, privilege, or premium tax.

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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