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# NOTICE 24-02

## DISABILITY EMPLOYMENT ACT TAX CREDIT

## (JUNE 5, 2024)

During the 2024 Legislative Session Senate Bill 15 was passed and signed into law. Section 4 of the Bill amended K.S.A. 79-32,273, to make changes to the income tax credit for expenditures of goods and services purchased from a qualified vendor, and to remove the sunset provision for the credit.

Specifically, K.S.A. 79-32,273(a) was amended to provide the provisions of the statute shall be known and may be cited as the disability employment act. The subsection was also divided to insert new subsection (b) and label former subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f)..

Amendments to new subsection (b) retained language providing the amount of the income tax credit is 15% of the amount of expenditures of goods and services purchased by a taxpayer from a qualified vendor that is certified by the Secretary of Commerce, but eliminated the December 31, 2023, sunset provision, and specifically provides expenditures made on or after January 1, 2024, but prior to the effective date of Senate Bill 15, qualify for purposes of calculating the credit. Subsection (b) retained language providing the amount of the credit awarded to each taxpayer shall not exceed $500,000 per qualified vendor per tax year, but also increased the cap on the total amount of cumulative credits for all taxpayers from $5,000,000 for the five-year period of tax years 2019 through 2023, to $8,000,000 for the five-year period of tax years 2024 through 2028, and $8,000,000 for each consecutive five tax year period thereafter, starting with tax year 2029.

New subsection (c) was not changed, and still provides the tax credit is to be deducted from the taxpayer's income tax liability for the year in which the expenditures are made. The credit is not refundable, but any unused credit may be used in the next succeeding tax year or years until the total amount of the credit has been taken, except that no credit may be carried over deduction after the fourth tax year succeeding the tax year in which the expenditures were incurred.

New subsection (d), which requires the Secretary of Commerce to annually certify that expenditures for goods and services purchased by a taxpayer subject to the credit were made from a qualified vendor, and to provide such certification to the Secretary of Revenue, was not changed.

New subsection (e) was amended to change the definitions of the terms "qualified vendor", and "individuals with disabilities" or "individual with a disability", the Department of Commerce will use during its certification process. For additional information regarding these terms and the certification process, please contact the Kansas Department of Commerce.

## 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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