

Community Service Tax Credit Program (CSP) FAQs

How do I know if my organization is eligible for a 50% or 70% tax credit?

Eligible donors may receive a credit equal to 70% of the amount contributed if the community service organization is located in a rural community (population of less than 15,000). If the community service organization is located in a larger community, the eligible contributors receive a credit equal to 50% of the amount contributed. All Johnson County applicants, regardless of size, are eligible for a 50% credit. Upon approval of the application, the Kansas Department of Commerce will provide a letter that documents the tax credit percentage that an organization is eligible for.

Are personnel and staff costs eligible expenses?

No. Personnel/staff costs are not eligible expenses.

What is the maximum amount of tax credits that I can apply for?

The maximum amount of tax credits is \$200,000. There is no minimum.

What is the Department of Commerce's role in selling the tax credits?

It is the responsibility of the nonprofit organization to solicit donations, complete the necessary paperwork and send the information to the Kansas Department of Commerce for processing. The Kansas Department of Commerce will provide contact information to potential donors that are interested in donating.

What happens if an organization doesn't use all of its allotted tax credits?

The Kansas Department of Commerce will evaluate the credit utilization of every project at the end of 12 months. If, after Commerce has provided notice, the organization is unable to provide written evidence that their remaining credits will be utilized, Commerce reserves the right to reduce the amount of tax credits for that project and re-allocate those credits to other projects so they can be utilized before the expiration date.

Who is eligible for tax credits?

The tax credit is for contributions made by business firms or individuals subject to Kansas income tax, Kansas privilege tax or the premium tax or privilege fees imposed on insurance companies. The minimum amount that can be donated is \$250. There is no maximum amount.

Are the tax credits refundable or carried forward?

Tax credits that are not transferred are refundable and must be claimed in the year they are issued. Any transferred credits are not eligible for a refund and will be carried forward.

How do donors receive their tax credit certificate after donating?

Once the Department of Commerce approved the Community Service Tax Credit donation and donor application, organizations have the ability to download a copy of the tax credit certificate through the Department of Revenue website. Donors will receive their certificates directly from the organization they gave to. The Department of Commerce does not send the certificates.

Please see the 2024 CSP Guidelines for additional information on this program.