

COMMUNITY SERVICE PROGRAM (CSP) TAX CREDIT FAQs

Apply/Administering Organization

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

Eligible donors may receive a tax credit equal to 70% of their contribution if the community service organization is in a rural community (population under 15,000). For organizations in larger communities, the tax credit is 50%. All applicants in Johnson County, regardless of size, qualify for a 50% credit. Once an application is approved, the Kansas Department of Commerce will issue a letter confirming the applicable tax credit percentage.

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 who 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 to apply for the Community Service Program Tax Credits?

Any organization performing community services may submit a proposal provided they meet one or more of the following classifications: Organizations holding IRS ruling 501(c)3; Organizations incorporated in the state of Kansas or another state as a non-stock, nonprofit organization; Organizations designed as a community development corporation by the United States government; Organizations chartered by the United States Congress; City, county or district hospitals, nursing homes, health departments and medical clinics.

NOTE: City and County Governments and Schools are NOT eligible to apply without a sponsoring non profit organization.

Are in-kind donations eligible for the tax credits?

Yes, in-kind donations are permitted. The donor would need to submit a detailed breakout of what was being donated on official letterhead.

Donors

Whose contribution qualifies for the 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 Commerce approves the 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. Commerce does not send the certificates.

Can donors receive tax credits for donations made before an organization or project is awarded?

No, donations made to an awarded organization prior to July 1 of the award year will not be eligible for tax credits.

Application Guidelines

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 maximum number of pledge letters that can be uploaded? What is the maximum number of support letters that can be uploaded?

There is no maximum. Please ensure pledge letters indicate the amount pledged and are signed. Please ensure support letters are unique and signed.

How many years must pass before an organization awarded tax credits can apply again for a different project?

Organizations can apply every other year, as long as it is for a different project than previously awarded.

Are personnel and staff cost-eligible expenses?

No. Personnel and staff costs are not eligible expenses.

Please see the FY26 CSP Guidelines for additional information on this program.

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