Community Service Tax Credit (CSP)
Kansas Department of Commerce
CSP Manager

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Community Service Tax Credit Program Overview

Established in 1994, there are four main categories eligible:

- Community Service
- Healthcare Services
- Crime Prevention
- Youth Apprenticeship/Job Training

The proposed projects should be unique or one-time in nature and create lasting value for the charitable organizations.

- Capital campaign
- Major equipment purchase
- Major renovation

Applicants may request up to $250,000 in tax credits.

- Rural areas (< 15,000 population) are eligible for a 70% credit
- Non-rural areas (> 15,000 population) are eligible for a 50% credit.

$4.13 million allocated annually
What are tax credits?

• A direct reduction from the final tax obligation in the awarding jurisdiction (federal, state, local)
  • Can be combined with a deduction in some circumstances (State Credit + Federal Deduction)

• Refundable: If the tax credit is greater than tax credit liability, the tax filer receives a refund

• Transferred: Tax credits that are transferred, are non-refundable and will be carried forward for up to 5 years
Taxpayer Tax Credit Example

1. $1000 Donation
   Contributor makes a $1000 donation to a CSP Project

2. $700 Tax Credit
   Contributor receives 70% back in Tax Credits (Rural)

3. $500 KS Tax Liability
   Contributor state income tax liability

4. $200 Refunded
   Tax Credit - state income tax liability = Refund
Eligible Contributors

• Businesses subject to Kansas state income tax
  • LLC’s, S-Corp, Sole Proprietorship, etc

• Individuals subject to Kansas state income tax

• Banks, savings, and trust companies paying and subject to annual tax on net income
Eligible Contributions

Must be valued at minimum of $250:

- **Cash Donations**
  [Photocopy of Check or credit card receipt]

- **Stocks and Bonds**
  [Stock Transfer Form + Confirmation of Transfer]

- **Personal Property Items**
  [Two appraisals if over $1,000]

- **Real Estate Donations**
  [Two appraisals + Used by Project]

- **Payroll Deductions**

- **Project Materials or Labor**
  [Invoice on OFFICIAL letterhead]
LET’S TALK!

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