

2021 Kansas Statutes

58-4903. Designation of first-time home buyer savings account; designated beneficiary; contribution limits; responsibilities of account holder. (a) On and after July 1, 2022, any individual may open an account with a financial institution and designate the account, in its entirety, as a first-time home buyer savings account to be used to pay or reimburse a designated beneficiary's eligible expenses for the purchase or construction of a primary residence in this state. An individual may be the account holder of multiple accounts and an individual may jointly own the account with another individual if such individuals file a joint income tax return. An account holder shall comply with the requirements of this act to be eligible for the modifications set forth in K.S.A. 79-32,117, and amendments thereto.

(b) An account holder shall designate, no later than April 15 of the year following the taxable year during which the account is established, a first-time home buyer as the designated beneficiary of the account. Nothing in this section shall prohibit an account holder from designating such account holder as the designated beneficiary of an account. An account holder may change the designated beneficiary at any time, but no account shall have more than one designated beneficiary at any time. An individual may be designated as the designated beneficiary of more than one account if such accounts are held by separate account holders. No account holder shall be authorized to designate the same designated beneficiary on multiple accounts held by such account owner.

(c) (1) The following limits apply to an account established pursuant to this act:

(A) The maximum contribution to an account in any tax year shall be \$3,000 for an individual and \$6,000 for a married couple filing a joint return;

(B) the maximum amount of all contributions into an account in all tax years shall be \$24,000 for an individual and \$48,000 for a married couple filing a joint return; and

(C) the maximum total amount in an account shall be \$50,000.

(2) If a limit in paragraph (1) is exceeded, then thereafter all interest or other income earned on the investment of moneys in an account shall be subject to the tax imposed by the Kansas income tax act.

(3) Moneys may remain in an account for an unlimited duration without the interest or income being subject to recapture or penalty.

(d) The account holder shall not use moneys in an account to pay expenses of administering the account, except that a service fee may be deducted from the account by a financial institution. The account holder shall be responsible for maintaining documentation for the account and for eligible expenses related to the designated beneficiary's purchase or construction of a primary residence.

History: L. 2021, ch. 102, § 3; July 1.