

SENATE BILL No. 578

By Committee on Commerce

2-7

9 AN ACT concerning income taxation; clarifying treatment of certain
10 credits by corporations in a unitary group; amending K.S.A. 79-32,141
11 and repealing the existing section.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 79-32,141 is hereby amended to read as follows:
15 79-32,141. (a) The director may allocate gross income, deductions, cred-
16 its, or allowances between two or more organizations, trades or businesses
17 (whether or not incorporated, or organized in the United States or affil-
18 iated) owned or controlled directly or indirectly by the same interests, if
19 the director determines such allocation is necessary to prevent evasion of
20 taxes or to clearly reflect income of the organizations, trades or businesses.

21 (b) *Credits claimed under subsection (e) of K.S.A. 79-32,160a, and*
22 *amendments thereto, by a taxpayer that is a member of a unitary group*
23 *filing a combined report shall be allowed to be claimed by other members*
24 *of the group included in such combined report, to the extent the credits*
25 *exceed the tax imposed by the Kansas income tax act on the Kansas taxable*
26 *income of such taxpayer first claiming the credit. The provisions of this*
27 *subsection shall be applicable to:*

28 (1) *Any taxpayer that is a member of a unitary group that has filed*
29 *or will file an original return for tax years commencing prior to January*
30 *1, 2008, claiming a credit under subsection (e) of K.S.A. 79-32,160a, and*
31 *amendments thereto, which credit exceeded the tax imposed by the Kansas*
32 *income tax act on the Kansas taxable income of the taxpayer in the unitary*
33 *group first claiming the credit;*

34 (2) *any taxpayer that is a member of a unitary group that has per-*
35 *fectured an appeal in order to sustain such filing position set forth in par-*
36 *agraph (1); and*

37 (3) *any taxpayer that is a member of a unitary group for tax years*
38 *commencing on and after January 1, 2008.*

39 Sec. 2. K.S.A. 79-32,141 is hereby repealed.

40 Sec. 3. This act shall take effect and be in force from and after its
41 publication in the statute book.