

HOUSE BILL No. 2592

By Committee on Insurance

2-1

9 AN ACT concerning health insurance; creating a public health insurance
10 marketplace; creating a health insurance database; requiring certain
11 disclosures by employers; amending K.S.A. 2009 Supp. 75-6501, 75-
12 6506 and 79-32,117 and repealing the existing sections.
13

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

15 New Section 1. (a) The department of administration shall create
16 and administer a health care insurance database for employers who offer
17 a health benefit plan to their employees. In administering the health care
18 insurance database, the department shall receive the following informa-
19 tion from each employer:

- 20 (1) The employer's business name and address;
- 21 (2) the amount of the employer's contribution each month to the
22 employer's health benefit plan for each employee and whether the con-
23 tribution is for single or family coverage;
- 24 (3) the amount of the employee's contribution to the employer's
25 health benefit plan;
- 26 (4) the following amounts to be paid by the employee:
- 27 (A) The annual deductible, if any;
- 28 (B) any co-payment required for any doctor or specialist;
- 29 (C) the cost of any emergency room visit;
- 30 (D) the cost of co-insurance, if any; and
- 31 (E) the maximum out-of-pocket expense for the employee for the
32 plan year; and
- 33 (5) a description of each medical, surgical or other covered benefit,
34 treatment, prescription drug and other item or procedure covered under
35 the employer's health benefit plan.
- 36 (b) The department of administration may contract with an organi-
37 zation experienced in health care insurance data collection to collect the
38 data from employers and build and maintain the health care insurance
39 database. The department of administration may accept data submitted
40 by associations or related organizations on behalf of employers by enter-
41 ing into binding agreements negotiated with such associations or related
42 organizations to obtain data required pursuant to this section.
- 43 (c) The department of administration shall adopt rules and regula-

1 tions governing the acquisition, compilation and dissemination of all data
2 collected pursuant to this section. The rules and regulations shall provide
3 at a minimum that:

4 (1) Measures have been taken to provide system security for all data
5 and information acquired under this section;

6 (2) data will be collected in the most efficient and cost-effective man-
7 ner for both the department and providers of data;

8 (3) users may be charged for data preparation or information that is
9 beyond the routine data disseminated and that the department of admin-
10 istration shall establish by the adoption of such rules and regulations a
11 system of fees for such data preparation or dissemination; and

12 (4) the department of administration will ensure that the health care
13 insurance database will be kept current, accurate and accessible as pre-
14 scribed by rules and regulations.

15 (d) Data and other information collected pursuant to this section shall
16 not be disclosed by the department of administration or made public in
17 any manner which would identify individuals. A violation of this subsec-
18 tion (d) is a class C misdemeanor.

19 (e) In addition to such criminal penalty under subsection (d), any
20 individual whose identity is revealed in violation of subsection (d) may
21 bring a civil action against the responsible person or persons for any dam-
22 ages to such individual caused by such violation.

23 (f) For the purposes of this section, the term “employer” shall have
24 the meaning ascribed to it in K.S.A. 44-313, and amendments thereto.

25 New Sec. 2. (a) Each employer that offers health care benefits to its
26 employees shall disclose to its employees:

27 (1) The amount of the employer’s contribution each month to the
28 employer’s health benefit plan for each employee and whether the con-
29 tribution is for single or family coverage;

30 (2) the amount of the employee’s contribution to the employer’s
31 health benefit plan;

32 (3) the following amounts to be paid by the employee:

33 (A) The annual deductible, if any;

34 (B) any co-payment required for any doctor or specialist;

35 (C) the cost of any emergency room visit;

36 (D) the cost of co-insurance, if any; and

37 (E) the maximum out-of-pocket expense for the employee for the
38 plan year; and

39 (4) a description of each medical, surgical or other covered benefit,
40 treatment, prescription drug and other item or procedure covered under
41 the employer’s health benefit plan.

42 (b) (1) If, at the time of entering employment with an employer, the
43 employee elects not to participate in the employer’s health benefit plan,

1 the employer shall pay to the employee the amount the employer would
2 have contributed to such employer's health benefit plan if the employee
3 had elected to participate.

4 (2) No employer shall reduce the amount of the employer's contri-
5 bution to the employer's health benefit plan for an employee.

6 (c) The department of administration shall adopt rules and regula-
7 tions governing the acquisition, compilation and dissemination of all data
8 collected pursuant to this section. The rules and regulations shall provide
9 at a minimum that:

10 (1) Measures have been taken to provide system security for all data
11 and information acquired under this section;

12 (2) data will be collected in the most efficient and cost-effective man-
13 ner for both the department and providers of data;

14 (3) users may be charged for data preparation or information that is
15 beyond the routine data disseminated and that the department of admin-
16 istration shall establish by the adoption of such rules and regulations a
17 system of fees for such data preparation or dissemination; and

18 (4) the department of administration will ensure that the health care
19 insurance database will be kept current, accurate and accessible as pre-
20 scribed by rules and regulations.

21 (d) Data and other information collected pursuant to this section shall
22 not be disclosed by the department of administration or made public in
23 any manner which would identify individuals. A violation of this subsec-
24 tion (d) is a class C misdemeanor.

25 (e) For the purposes of this section, the term "health benefit plan"
26 shall have the meaning ascribed to it in K.S.A. 40-2209, and amendments
27 thereto.

28 (f) For the purposes of this section, the term "employer" shall have
29 the meaning ascribed to it in K.S.A. 44-313, and amendments thereto.

30 Sec. 3. K.S.A. 2009 Supp. 75-6501 is hereby amended to read as
31 follows: 75-6501. (a) Within the limits of appropriations made or available
32 therefor and subject to the provisions of appropriation acts relating
33 thereto, the Kansas state employees health care commission shall develop
34 and provide for the implementation and administration of a state health
35 care benefits program.

36 (b) The state health care benefits program may provide benefits for
37 persons qualified to participate in the program for hospitalization, medical
38 services, surgical services, nonmedical remedial care and treatment ren-
39 dered in accordance with a religious method of healing and other health
40 services. The program may include such provisions as are established by
41 the Kansas state employees health care commission, including but not
42 limited to qualifications for benefits, services covered, schedules and
43 graduation of benefits, conversion privileges, deductible amounts, limi-

1 tations on eligibility for benefits by reason of termination of employment
2 or other change of status, leaves of absence, military service or other
3 interruptions in service and other reasonable provisions as may be estab-
4 lished by the commission.

5 (c) The Kansas state employees health care commission shall desig-
6 nate by rules and regulations those persons who are qualified to partici-
7 pate in the state health care benefits program, including active and retired
8 public officers and employees and their dependents as defined by rules
9 and regulations of the commission. Such rules and regulations shall not
10 apply to students attending a state educational institution as defined in
11 K.S.A. 76-711, and amendments thereto, who are covered by insurance
12 contracts entered into by the board of regents pursuant to K.S.A. 75-
13 4101, and amendments thereto. In designating persons qualified to partici-
14 pate in the state health care benefits program, the commission may
15 establish such conditions, restrictions, limitations and exclusions as the
16 commission deems reasonable. Such conditions, restrictions, limitations
17 and exclusions shall include the conditions contained in subsection (d) of
18 K.S.A. 75-6506, and amendments thereto. Each person who was formerly
19 elected or appointed and qualified to an elective state office and who was
20 covered immediately preceding the date such person ceased to hold such
21 office by the provisions of group health insurance or a health maintenance
22 organization plan under the law in effect prior to August 1, 1984, or the
23 state health care benefits program in effect after that date, shall continue
24 to be qualified to participate in the state health care benefits program
25 and shall pay the cost of participation in the program as established and
26 in accordance with the procedures prescribed by the commission if such
27 person chooses to participate therein.

28 (d) (1) Commencing with the 2009 plan year that begins January 1,
29 2009, if a state employee elects the high deductible health plan and health
30 savings account, the state's employer contribution shall equal the state's
31 contribution to any other health benefit plan offered by the state. The
32 cost savings to the state for the high deductible health plan shall be de-
33 posited monthly into the employee's health savings account up to the
34 maximum annual amount allowed pursuant to subsection (d) of 26 U.S.C.
35 223, as amended, for as long as the employee participates in the high
36 deductible plan.

37 (2) If the employee had not previously participated in the state health
38 benefits plan, the employer shall calculate the average savings to the em-
39 ployer of the high deductible plan compared to the other available plans
40 and contribute that amount monthly to the employee's health savings
41 account up to the maximum annual amount allowed pursuant to subsec-
42 tion (d) of 26 U.S.C. 223, as amended.

43 (3) The employer shall allow additional voluntary contributions by the

1 employee to their health savings account by payroll deduction up to the
2 maximum annual amount allowed pursuant to subsection (d) of 26 U.S.C.
3 223, as amended.

4 (e) The commission shall have no authority to assess charges for em-
5 ployer contributions under the student health care benefits component
6 of the state health care benefits program for persons who are covered by
7 insurance contracts entered into by the board of regents pursuant to
8 K.S.A. 75-4101, and amendments thereto.

9 (f) Nothing in this act shall be construed to permit the Kansas state
10 employees health care commission to discontinue the student health care
11 benefits component of the state health care benefits program until the
12 state board of regents has contracts in effect that provide student coverage
13 pursuant to the authority granted therefor in K.S.A. 75-4101, and amend-
14 ments thereto.

15 (g) (1) *There is hereby created within the state health care benefits*
16 *program a public health insurance marketplace where citizens and legal*
17 *residents of the state of Kansas shall have the option to purchase the same*
18 *health insurance which is available to state employees.*

19 (2) *The public health insurance marketplace shall provide a website*
20 *providing the following information for each option available for a health*
21 *insurance plan:*

22 (A) *The premium;*

23 (B) *the annual deductible;*

24 (C) *the co-payment required for any doctor or specialist;*

25 (D) *the cost of any emergency room visit;*

26 (E) *the cost of co-insurance, if any;*

27 (F) *the maximum out-of-pocket expense; and*

28 (G) *a description of each medical, surgical or other covered benefit,*
29 *treatment, prescription drug and other item or procedure covered under*
30 *the plan.*

31 (3) *The state employees health care commission shall establish a tel-*
32 *ephone system to assist persons in obtaining information about the public*
33 *health insurance marketplace. The telephone system shall permit any per-*
34 *son to talk with a knowledgeable individual qualified to provide infor-*
35 *mation about the public health insurance marketplace. The telephone sys-*
36 *tem shall be designed to permit any person in the state to place a toll-free*
37 *call into the system.*

38 Sec. 4. K.S.A. 2009 Supp. 75-6506 is hereby amended to read as
39 follows: 75-6506. (a) The participation of a person qualified to participate
40 in the state health care benefits program shall be voluntary, and the cost
41 of the state health care benefits program for such person shall be estab-
42 lished by the Kansas state employees health care commission.

43 (b) Periodic deductions from state payrolls may be made in accord-

1 ance with procedures prescribed by the secretary of administration to
2 cover the costs of the state health care benefits program payable by per-
3 sons who are on the state payroll when authorized by such persons. Any
4 such periodic payroll deductions in effect on an implementation date for
5 biweekly payroll periods shall be collected in the manner prescribed by
6 the secretary of administration.

7 (c) In the event that the Kansas state employees health care com-
8 mission designates by rules and regulations a group of persons on the
9 payroll of a county, township, city, special district or other local govern-
10 mental entity, public school district, licensed child care facility operated
11 by a not-for-profit corporation providing residential group foster care for
12 children and receiving reimbursement for all or part of such care from
13 the department of social and rehabilitation services, nonprofit community
14 mental health center, as provided in K.S.A. 19-4001 et seq., and amend-
15 ments thereto, nonprofit community facility for the mentally retarded, as
16 provided in K.S.A. 19-4001 et seq., and amendments thereto, or nonprofit
17 independent living agency, as defined in K.S.A. 65-5101, and amend-
18 ments thereto, as qualified to participate in the state health care benefits
19 program, periodic deductions from payrolls of the local governmental
20 entity, public school district, licensed child care facility operated by a not-
21 for-profit corporation providing residential group foster care for children
22 and receiving reimbursement for all or part of such care from the de-
23 partment of social and rehabilitation services, nonprofit community men-
24 tal health center, as provided in K.S.A. 19-4001 et seq., and amendments
25 thereto, nonprofit community facility for the mentally retarded, as pro-
26 vided in K.S.A. 19-4001 et seq., and amendments thereto, or nonprofit
27 independent living agency, as defined in K.S.A. 65-5101, and amend-
28 ments thereto, may be made to cover the costs of the state health care
29 benefits program payable by such persons when authorized by such per-
30 sons. All such moneys deducted from payrolls shall be remitted to the
31 Kansas state employees health care commission in accordance with the
32 directions of the commission.

33 (d) On and after July 1, 2002, whenever the Kansas state employees
34 health care commission designates any entity listed in subsection (c) as
35 qualified to participate in the state health care benefits program, such
36 entity's participation shall be conditioned upon the following:

37 (1) At least 70% of such entity's employees shall participate in the
38 state health care plan;

39 (2) except as provided by paragraph (6) of this subsection, the rate of
40 the premium paid by the entity as the employer's share of the total
41 amount of premium paid shall be at least equal to the rate paid by the
42 state of Kansas for its employees;

43 (3) the entity shall not create, maintain or permit any exemption from

- 1 participation in the state health care plan for such entity's employees;
- 2 (4) the rate charged to such entity shall be sufficient to pay for any
3 administrative or underwriting costs incurred by the state employees
4 health care commission;
- 5 (5) the rate charged to such entity shall not increase the rate of pre-
6 mium paid by the state of Kansas for its employees;
- 7 (6) the entity shall elect to participate for a minimum of three con-
8 secutive years in the state health care benefits program; and
- 9 (7) the commission may authorize an entity to pay less than the state
10 rate for the employee coverage for no more than three years and no more
11 than five years for dependent coverage on the condition that the entity
12 elects to participate for at least three consecutive years after first paying
13 the state rate for employee coverage.
- 14 (e) *The Kansas state employees health care commission shall establish*
15 *a procedure for payment of premiums by any person who purchases*
16 *health insurance through the public health insurance marketplace. Such*
17 *procedure may include payroll deductions and other forms of payment*
18 *necessary for the collection and payment of health insurance premiums*
19 *by eligible citizens and legal residents of the state of Kansas.*
- 20 Sec. 5. K.S.A. 2009 Supp. 79-32,117 is hereby amended to read as
21 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual
22 means such individual's federal adjusted gross income for the taxable year,
23 with the modifications specified in this section.
- 24 (b) There shall be added to federal adjusted gross income:
- 25 (i) Interest income less any related expenses directly incurred in the
26 purchase of state or political subdivision obligations, to the extent that
27 the same is not included in federal adjusted gross income, on obligations
28 of any state or political subdivision thereof, but to the extent that interest
29 income on obligations of this state or a political subdivision thereof issued
30 prior to January 1, 1988, is specifically exempt from income tax under the
31 laws of this state authorizing the issuance of such obligations, it shall be
32 excluded from computation of Kansas adjusted gross income whether or
33 not included in federal adjusted gross income. Interest income on obli-
34 gations of this state or a political subdivision thereof issued after Decem-
35 ber 31, 1987, shall be excluded from computation of Kansas adjusted
36 gross income whether or not included in federal adjusted gross income.
- 37 (ii) Taxes on or measured by income or fees or payments in lieu of
38 income taxes imposed by this state or any other taxing jurisdiction to the
39 extent deductible in determining federal adjusted gross income and not
40 credited against federal income tax. This paragraph shall not apply to taxes
41 imposed under the provisions of K.S.A. 79-1107 or 79-1108, and amend-
42 ments thereto, for privilege tax year 1995, and all such years thereafter.
- 43 (iii) The federal net operating loss deduction.

- 1 (iv) Federal income tax refunds received by the taxpayer if the de-
2 duction of the taxes being refunded resulted in a tax benefit for Kansas
3 income tax purposes during a prior taxable year. Such refunds shall be
4 included in income in the year actually received regardless of the method
5 of accounting used by the taxpayer. For purposes hereof, a tax benefit
6 shall be deemed to have resulted if the amount of the tax had been de-
7 ducted in determining income subject to a Kansas income tax for a prior
8 year regardless of the rate of taxation applied in such prior year to the
9 Kansas taxable income, but only that portion of the refund shall be in-
10 cluded as bears the same proportion to the total refund received as the
11 federal taxes deducted in the year to which such refund is attributable
12 bears to the total federal income taxes paid for such year. For purposes
13 of the foregoing sentence, federal taxes shall be considered to have been
14 deducted only to the extent such deduction does not reduce Kansas tax-
15 able income below zero.
- 16 (v) The amount of any depreciation deduction or business expense
17 deduction claimed on the taxpayer's federal income tax return for any
18 capital expenditure in making any building or facility accessible to the
19 handicapped, for which expenditure the taxpayer claimed the credit al-
20 lowed by K.S.A. 79-32,177, and amendments thereto.
- 21 (vi) Any amount of designated employee contributions picked up by
22 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,
23 and amendments to such sections.
- 24 (vii) The amount of any charitable contribution made to the extent
25 the same is claimed as the basis for the credit allowed pursuant to K.S.A.
26 79-32,196, and amendments thereto.
- 27 (viii) The amount of any costs incurred for improvements to a swine
28 facility, claimed for deduction in determining federal adjusted gross in-
29 come, to the extent the same is claimed as the basis for any credit allowed
30 pursuant to K.S.A. 2009 Supp. 79-32,204 and amendments thereto.
- 31 (ix) The amount of any ad valorem taxes and assessments paid and
32 the amount of any costs incurred for habitat management or construction
33 and maintenance of improvements on real property, claimed for deduc-
34 tion in determining federal adjusted gross income, to the extent the same
35 is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203
36 and amendments thereto.
- 37 (x) Amounts received as nonqualified withdrawals, as defined by
38 K.S.A. 2009 Supp. 75-643, and amendments thereto, if, at the time of
39 contribution to a family postsecondary education savings account, such
40 amounts were subtracted from the federal adjusted gross income pur-
41 suant to paragraph (xv) of subsection (c) of K.S.A. 79-32,117, and amend-
42 ments thereto, or if such amounts are not already included in the federal
43 adjusted gross income.

- 1 (xi) The amount of any contribution made to the same extent the
2 same is claimed as the basis for the credit allowed pursuant to K.S.A.
3 2009 Supp. 74-50,154, and amendments thereto.
- 4 (xii) For taxable years commencing after December 31, 2004,
5 amounts received as withdrawals not in accordance with the provisions
6 of K.S.A. 2009 Supp. 74-50,204, and amendments thereto, if, at the time
7 of contribution to an individual development account, such amounts were
8 subtracted from the federal adjusted gross income pursuant to paragraph
9 (xiii) of subsection (c), or if such amounts are not already included in the
10 federal adjusted gross income.
- 11 (xiii) The amount of any expenditures claimed for deduction in deter-
12 termining federal adjusted gross income, to the extent the same is claimed
13 as the basis for any credit allowed pursuant to K.S.A. 2009 Supp. 79-
14 32,217 through 79-32,220 or 79-32,222, and amendments thereto.
- 15 (xiv) The amount of any amortization deduction claimed in deter-
16 mining federal adjusted gross income to the extent the same is claimed
17 for deduction pursuant to K.S.A. 2009 Supp. 79-32,221, and amendments
18 thereto.
- 19 (xv) The amount of any expenditures claimed for deduction in deter-
20 mining federal adjusted gross income, to the extent the same is claimed
21 as the basis for any credit allowed pursuant to K.S.A. 2009 Supp. 79-
22 32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233
23 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-
24 32,248 or 79-32,251 through 79-32,254, and amendments thereto.
- 25 (xvi) The amount of any amortization deduction claimed in deter-
26 mining federal adjusted gross income to the extent the same is claimed
27 for deduction pursuant to K.S.A. 2009 Supp. 79-32,227, 79-32,232, 79-
28 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.
- 29 (xvii) The amount of any amortization deduction claimed in deter-
30 mining federal adjusted gross income to the extent the same is claimed
31 for deduction pursuant to K.S.A. 2009 Supp. 79-32,256, and amendments
32 thereto.
- 33 (xviii) For taxable years commencing after December 31, 2006, the
34 amount of any ad valorem or property taxes and assessments paid to a
35 state other than Kansas or local government located in a state other than
36 Kansas by a taxpayer who resides in a state other than Kansas, when the
37 law of such state does not allow a resident of Kansas who earns income
38 in such other state to claim a deduction for ad valorem or property taxes
39 or assessments paid to a political subdivision of the state of Kansas in
40 determining taxable income for income tax purposes in such other state,
41 to the extent that such taxes and assessments are claimed as an itemized
42 deduction for federal income tax purposes.
- 43 (c) There shall be subtracted from federal adjusted gross income:

- 1 (i) Interest or dividend income on obligations or securities of any
2 authority, commission or instrumentality of the United States and its pos-
3 sessions less any related expenses directly incurred in the purchase of
4 such obligations or securities, to the extent included in federal adjusted
5 gross income but exempt from state income taxes under the laws of the
6 United States.
- 7 (ii) Any amounts received which are included in federal adjusted
8 gross income but which are specifically exempt from Kansas income tax-
9 ation under the laws of the state of Kansas.
- 10 (iii) The portion of any gain or loss from the sale or other disposition
11 of property having a higher adjusted basis for Kansas income tax purposes
12 than for federal income tax purposes on the date such property was sold
13 or disposed of in a transaction in which gain or loss was recognized for
14 purposes of federal income tax that does not exceed such difference in
15 basis, but if a gain is considered a long-term capital gain for federal in-
16 come tax purposes, the modification shall be limited to that portion of
17 such gain which is included in federal adjusted gross income.
- 18 (iv) The amount necessary to prevent the taxation under this act of
19 any annuity or other amount of income or gain which was properly in-
20 cluded in income or gain and was taxed under the laws of this state for a
21 taxable year prior to the effective date of this act, as amended, to the
22 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
23 the right to receive the income or gain, or to a trust or estate from which
24 the taxpayer received the income or gain.
- 25 (v) The amount of any refund or credit for overpayment of taxes on
26 or measured by income or fees or payments in lieu of income taxes im-
27 posed by this state, or any taxing jurisdiction, to the extent included in
28 gross income for federal income tax purposes.
- 29 (vi) Accumulation distributions received by a taxpayer as a beneficiary
30 of a trust to the extent that the same are included in federal adjusted
31 gross income.
- 32 (vii) Amounts received as annuities under the federal civil service
33 retirement system from the civil service retirement and disability fund
34 and other amounts received as retirement benefits in whatever form
35 which were earned for being employed by the federal government or for
36 service in the armed forces of the United States.
- 37 (viii) Amounts received by retired railroad employees as a supple-
38 mental annuity under the provisions of 45 U.S.C. 228b (a) and 228c (a)(1)
39 et seq.
- 40 (ix) Amounts received by retired employees of a city and by retired
41 employees of any board of such city as retirement allowances pursuant to
42 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter
43 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and

1 amendments thereto.

2 (x) For taxable years beginning after December 31, 1976, the amount
3 of the federal tentative jobs tax credit disallowance under the provisions
4 of 26 U.S.C. 280 C. For taxable years ending after December 31, 1978,
5 the amount of the targeted jobs tax credit and work incentive credit dis-
6 allowances under 26 U.S.C. 280 C.

7 (xi) For taxable years beginning after December 31, 1986, dividend
8 income on stock issued by Kansas Venture Capital, Inc.

9 (xii) For taxable years beginning after December 31, 1989, amounts
10 received by retired employees of a board of public utilities as pension and
11 retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249
12 and amendments thereto.

13 (xiii) For taxable years beginning after December 31, 2004, amounts
14 contributed to and the amount of income earned on contributions de-
15 posited to an individual development account under K.S.A. 2009 Supp.
16 74-50,201, et seq., and amendments thereto.

17 (xiv) For all taxable years commencing after December 31, 1996, that
18 portion of any income of a bank organized under the laws of this state or
19 any other state, a national banking association organized under the laws
20 of the United States, an association organized under the savings and loan
21 code of this state or any other state, or a federal savings association or-
22 ganized under the laws of the United States, for which an election as an
23 S corporation under subchapter S of the federal internal revenue code is
24 in effect, which accrues to the taxpayer who is a stockholder of such
25 corporation and which is not distributed to the stockholders as dividends
26 of the corporation.

27 (xv) For all taxable years beginning after December 31, 2006,
28 amounts not exceeding \$3,000, or \$6,000 for a married couple filing a
29 joint return, for each designated beneficiary which are contributed to a
30 family postsecondary education savings account established under the
31 Kansas postsecondary education savings program or a qualified tuition
32 program established and maintained by another state or agency or instru-
33 mentality thereof pursuant to section 529 of the internal revenue code of
34 1986, as amended, for the purpose of paying the qualified higher edu-
35 cation expenses of a designated beneficiary at an institution of postsec-
36 ondary education. The terms and phrases used in this paragraph shall have
37 the meaning respectively ascribed thereto by the provisions of K.S.A.
38 2009 Supp. 75-643, and amendments thereto, and the provisions of such
39 section are hereby incorporated by reference for all purposes thereof.

40 (xvi) For the tax year beginning after December 31, 2004, an amount
41 not exceeding \$500; for the tax year beginning after December 31, 2005,
42 an amount not exceeding \$600; for the tax year beginning after December
43 31, 2006, an amount not exceeding \$700; for the tax year beginning after

1 December 31, 2007, an amount not exceeding \$800; for the tax year
2 beginning December 31, 2008, an amount not exceeding \$900; and for
3 all taxable years commencing after December 31, 2009, an amount not
4 exceeding \$1,000 of the premium costs for qualified long-term care in-
5 surance contracts, as defined by subsection (b) of section 7702B of public
6 law 104-191.

7 (xvii) For all taxable years beginning after December 31, 2004,
8 amounts received by taxpayers who are or were members of the armed
9 forces of the United States, including service in the Kansas army and air
10 national guard, as a recruitment, sign up or retention bonus received by
11 such taxpayer as an incentive to join, enlist or remain in the armed services
12 of the United States, including service in the Kansas army and air national
13 guard, and amounts received for repayment of educational or student
14 loans incurred by or obligated to such taxpayer and received by such
15 taxpayer as a result of such taxpayer's service in the armed forces of the
16 United States, including service in the Kansas army and air national guard.

17 (xviii) For all taxable years beginning after December 31, 2004,
18 amounts received by taxpayers who are eligible members of the Kansas
19 army and air national guard as a reimbursement pursuant to K.S.A. 48-
20 281, and amendments thereto, and amounts received for death benefits
21 pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to sec-
22 tion 1 or section 2 of chapter 207 of the 2005 session laws of Kansas, and
23 amendments thereto, to the extent that such death benefits are included
24 in federal adjusted gross income of the taxpayer.

25 (xix) For the taxable year beginning after December 31, 2006,
26 amounts received as benefits under the federal social security act which
27 are included in federal adjusted gross income of a taxpayer with federal
28 adjusted gross income of \$50,000 or less, whether such taxpayer's filing
29 status is single, head of household, married filing separate or married
30 filing jointly; and for all taxable years beginning after December 31, 2007,
31 amounts received as benefits under the federal social security act which
32 are included in federal adjusted gross income of a taxpayer with federal
33 adjusted gross income of \$75,000 or less, whether such taxpayer's filing
34 status is single, head of household, married filing separate or married
35 filing jointly.

36 (xx) Amounts received by retired employees of Washburn university
37 as retirement and pension benefits under the university's retirement plan.

38 (xxi) *For taxable years beginning after December 31, 2010, 100% of*
39 *the amount received by an employee for health insurance pursuant to*
40 *subsection (b)(1) of section 2, and amendments thereto, which is used by*
41 *such employee to purchase health insurance from the public health in-*
42 *surance marketplace established by section 3, and amendments thereto,*
43 *to the extent the amount paid for such premiums is not claimed as an*

1 *itemized deduction for federal income tax purposes. The taxpayer shall*
2 *provide the department of revenue with proof of the amount of health*
3 *insurance premiums paid to the public health insurance marketplace by*
4 *such taxpayer for any insurance policy primarily providing health care*
5 *coverage for the taxpayer, the taxpayer's spouse or the taxpayer's de-*
6 *pendents.*

7 (d) There shall be added to or subtracted from federal adjusted gross
8 income the taxpayer's share, as beneficiary of an estate or trust, of the
9 Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and
10 amendments thereto.

11 (e) The amount of modifications required to be made under this sec-
12 tion by a partner which relates to items of income, gain, loss, deduction
13 or credit of a partnership shall be determined under K.S.A. 79-32,131,
14 and amendments thereto, to the extent that such items affect federal
15 adjusted gross income of the partner.

16 Sec. 6. K.S.A. 2009 Supp. 75-6501, 75-6506 and 79-32,117 are
17 hereby repealed.

18 Sec. 7. This act shall take effect and be in force from and after its
19 publication in the statute book.