

HOUSE BILL No. 2189

By Committee on Taxation

Requested by Representative A. Smith on behalf of Representative Reavis

1-31

1 AN ACT concerning income taxation; relating to the determination of
2 Kansas adjusted gross income; providing a subtraction modification for
3 sales or taking of property subject to eminent domain; amending
4 K.S.A. 2024 Supp. 79-32,117 and repealing the existing section.
5

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

7 Section 1. K.S.A. 2024 Supp. 79-32,117 is hereby amended to read as
8 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual
9 means such individual's federal adjusted gross income for the taxable year,
10 with the modifications specified in this section.

11 (b) There shall be added to federal adjusted gross income:

12 (i) Interest income less any related expenses directly incurred in the
13 purchase of state or political subdivision obligations, to the extent that the
14 same is not included in federal adjusted gross income, on obligations of
15 any state or political subdivision thereof, but to the extent that interest
16 income on obligations of this state or a political subdivision thereof issued
17 prior to January 1, 1988, is specifically exempt from income tax under the
18 laws of this state authorizing the issuance of such obligations, it shall be
19 excluded from computation of Kansas adjusted gross income whether or
20 not included in federal adjusted gross income. Interest income on
21 obligations of this state or a political subdivision thereof issued after
22 December 31, 1987, shall be excluded from computation of Kansas
23 adjusted gross income whether or not included in federal adjusted gross
24 income.

25 (ii) Taxes on or measured by income or fees or payments in lieu of
26 income taxes imposed by this state or any other taxing jurisdiction to the
27 extent deductible in determining federal adjusted gross income and not
28 credited against federal income tax. This paragraph shall not apply to taxes
29 imposed under the provisions of K.S.A. 79-1107 or 79-1108, and
30 amendments thereto, for privilege tax year 1995, and all such years
31 thereafter.

32 (iii) The federal net operating loss deduction, except that the federal
33 net operating loss deduction shall not be added to an individual's federal
34 adjusted gross income for tax years beginning after December 31, 2016.

35 (iv) Federal income tax refunds received by the taxpayer if the

1 deduction of the taxes being refunded resulted in a tax benefit for Kansas
2 income tax purposes during a prior taxable year. Such refunds shall be
3 included in income in the year actually received regardless of the method
4 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall
5 be deemed to have resulted if the amount of the tax had been deducted in
6 determining income subject to a Kansas income tax for a prior year
7 regardless of the rate of taxation applied in such prior year to the Kansas
8 taxable income, but only that portion of the refund shall be included as
9 bears the same proportion to the total refund received as the federal taxes
10 deducted in the year to which such refund is attributable bears to the total
11 federal income taxes paid for such year. For purposes of the foregoing
12 sentence, federal taxes shall be considered to have been deducted only to
13 the extent such deduction does not reduce Kansas taxable income below
14 zero.

15 (v) The amount of any depreciation deduction or business expense
16 deduction claimed on the taxpayer's federal income tax return for any
17 capital expenditure in making any building or facility accessible to the
18 handicapped, for which expenditure the taxpayer claimed the credit
19 allowed by K.S.A. 79-32,177, and amendments thereto.

20 (vi) Any amount of designated employee contributions picked up by
21 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,
22 and amendments thereto.

23 (vii) The amount of any charitable contribution made to the extent the
24 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
25 32,196, and amendments thereto.

26 (viii) The amount of any costs incurred for improvements to a swine
27 facility, claimed for deduction in determining federal adjusted gross
28 income, to the extent the same is claimed as the basis for any credit
29 allowed pursuant to K.S.A. 79-32,204, and amendments thereto.

30 (ix) The amount of any ad valorem taxes and assessments paid and
31 the amount of any costs incurred for habitat management or construction
32 and maintenance of improvements on real property, claimed for deduction
33 in determining federal adjusted gross income, to the extent the same is
34 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,
35 and amendments thereto.

36 (x) Amounts received as nonqualified withdrawals, as defined by
37 K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a
38 family postsecondary education savings account, such amounts were
39 subtracted from the federal adjusted gross income pursuant to subsection
40 (c)(xv) or if such amounts are not already included in the federal adjusted
41 gross income.

42 (xi) The amount of any contribution made to the same extent the
43 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-

1 50,154, and amendments thereto.

2 (xii) For taxable years commencing after December 31, 2004,
3 amounts received as withdrawals not in accordance with the provisions of
4 K.S.A. 74-50,204, and amendments thereto, if, at the time of contribution
5 to an individual development account, such amounts were subtracted from
6 the federal adjusted gross income pursuant to subsection (c)(xiii), or if
7 such amounts are not already included in the federal adjusted gross
8 income.

9 (xiii) The amount of any expenditures claimed for deduction in
10 determining federal adjusted gross income, to the extent the same is
11 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,217
12 through 79-32,220 or 79-32,222, and amendments thereto.

13 (xiv) The amount of any amortization deduction claimed in
14 determining federal adjusted gross income to the extent the same is
15 claimed for deduction pursuant to K.S.A. 79-32,221, and amendments
16 thereto.

17 (xv) The amount of any expenditures claimed for deduction in
18 determining federal adjusted gross income, to the extent the same is
19 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223
20 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-
21 32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-
22 32,251 through 79-32,254, and amendments thereto.

23 (xvi) The amount of any amortization deduction claimed in
24 determining federal adjusted gross income to the extent the same is
25 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-
26 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

27 (xvii) The amount of any amortization deduction claimed in
28 determining federal adjusted gross income to the extent the same is
29 claimed for deduction pursuant to K.S.A. 79-32,256, and amendments
30 thereto.

31 (xviii) For taxable years commencing after December 31, 2006, the
32 amount of any ad valorem or property taxes and assessments paid to a state
33 other than Kansas or local government located in a state other than Kansas
34 by a taxpayer who resides in a state other than Kansas, when the law of
35 such state does not allow a resident of Kansas who earns income in such
36 other state to claim a deduction for ad valorem or property taxes or
37 assessments paid to a political subdivision of the state of Kansas in
38 determining taxable income for income tax purposes in such other state, to
39 the extent that such taxes and assessments are claimed as an itemized
40 deduction for federal income tax purposes.

41 (xix) For taxable years beginning after December 31, 2012, and
42 ending before January 1, 2017, the amount of any: (1) Loss from business
43 as determined under the federal internal revenue code and reported from

1 schedule C and on line 12 of the taxpayer's form 1040 federal individual
2 income tax return; (2) loss from rental real estate, royalties, partnerships, S
3 corporations, except those with wholly owned subsidiaries subject to the
4 Kansas privilege tax, estates, trusts, residual interest in real estate
5 mortgage investment conduits and net farm rental as determined under the
6 federal internal revenue code and reported from schedule E and on line 17
7 of the taxpayer's form 1040 federal individual income tax return; and (3)
8 farm loss as determined under the federal internal revenue code and
9 reported from schedule F and on line 18 of the taxpayer's form 1040
10 federal income tax return; all to the extent deducted or subtracted in
11 determining the taxpayer's federal adjusted gross income. For purposes of
12 this subsection, references to the federal form 1040 and federal schedule
13 C, schedule E, and schedule F, shall be to such form and schedules as they
14 existed for tax year 2011, and as revised thereafter by the internal revenue
15 service.

16 (xx) For taxable years beginning after December 31, 2012, and
17 ending before January 1, 2017, the amount of any deduction for self-
18 employment taxes under section 164(f) of the federal internal revenue
19 code as in effect on January 1, 2012, and amendments thereto, in
20 determining the federal adjusted gross income of an individual taxpayer, to
21 the extent the deduction is attributable to income reported on schedule C,
22 E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income
23 tax return.

24 (xxi) For taxable years beginning after December 31, 2012, and
25 ending before January 1, 2017, the amount of any deduction for pension,
26 profit sharing, and annuity plans of self-employed individuals under
27 section 62(a)(6) of the federal internal revenue code as in effect on January
28 1, 2012, and amendments thereto, in determining the federal adjusted gross
29 income of an individual taxpayer.

30 (xxii) For taxable years beginning after December 31, 2012, and
31 ending before January 1, 2017, the amount of any deduction for health
32 insurance under section 162(l) of the federal internal revenue code as in
33 effect on January 1, 2012, and amendments thereto, in determining the
34 federal adjusted gross income of an individual taxpayer.

35 (xxiii) For taxable years beginning after December 31, 2012, and
36 ending before January 1, 2017, the amount of any deduction for domestic
37 production activities under section 199 of the federal internal revenue code
38 as in effect on January 1, 2012, and amendments thereto, in determining
39 the federal adjusted gross income of an individual taxpayer.

40 (xxiv) For taxable years commencing after December 31, 2013, that
41 portion of the amount of any expenditure deduction claimed in
42 determining federal adjusted gross income for expenses paid for medical
43 care of the taxpayer or the taxpayer's spouse or dependents when such

1 expenses were paid or incurred for an abortion, or for a health benefit plan,
2 as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of
3 an optional rider for coverage of abortion in accordance with K.S.A. 40-
4 2,190, and amendments thereto, to the extent that such taxes and
5 assessments are claimed as an itemized deduction for federal income tax
6 purposes.

7 (xxv) For taxable years commencing after December 31, 2013, that
8 portion of the amount of any expenditure deduction claimed in
9 determining federal adjusted gross income for expenses paid by a taxpayer
10 for health care when such expenses were paid or incurred for abortion
11 coverage, a health benefit plan, as defined in K.S.A. 65-6731, and
12 amendments thereto, when such expenses were paid or incurred for
13 abortion coverage or amounts contributed to health savings accounts for
14 such taxpayer's employees for the purchase of an optional rider for
15 coverage of abortion in accordance with K.S.A. 40-2,190, and
16 amendments thereto, to the extent that such taxes and assessments are
17 claimed as a deduction for federal income tax purposes.

18 (xxvi) For all taxable years beginning after December 31, 2016, the
19 amount of any charitable contribution made to the extent the same is
20 claimed as the basis for the credit allowed pursuant to K.S.A. 72-4357, and
21 amendments thereto, and is also claimed as an itemized deduction for
22 federal income tax purposes.

23 (xxvii) For all taxable years commencing after December 31, 2020,
24 the amount of any interest expense paid or accrued in a previous taxable
25 year but allowed as a deduction pursuant to section 163 of the federal
26 internal revenue code in the current taxable year by reason of the
27 carryforward of disallowed business interest pursuant to section 163(j)
28 of the federal internal revenue code. For purposes of this paragraph, an
29 interest expense is considered paid or accrued only in the first taxable year
30 the deduction would have been allowable pursuant to section 163 of the
31 federal internal revenue code if the limitation pursuant to section 163(j)
32 of the federal internal revenue code did not exist.

33 (xxviii) For all taxable years beginning after December 31, 2021, the
34 amount of any contributions to, or earnings from, a first-time home buyer
35 savings account if distributions from the account were not used to pay for
36 expenses or transactions authorized pursuant to K.S.A. 2024 Supp. 58-
37 4904, and amendments thereto, or were not held for the minimum length
38 of time required pursuant to K.S.A. 2024 Supp. 58-4904, and amendments
39 thereto. Contributions to, or earnings from, such account shall also include
40 any amount resulting from the account holder not designating a surviving
41 payable on death beneficiary pursuant to K.S.A. 2024 Supp. 58-4904(e),
42 and amendments thereto.

43 (xxix) For all taxable years beginning after December 31, 2024, the

1 amount of any contributions to, or earnings from, an adoption savings
2 account if distributions from the account were not used to pay for expenses
3 or transactions authorized pursuant to K.S.A. 2024 Supp. 38-2504, and
4 amendments thereto, or were not held for the minimum length of time
5 required pursuant to K.S.A. 2024 Supp. 38-2504, and amendments thereto.
6 Contributions to, or earnings from, such account shall also include any
7 amount resulting from the account holder not designating a surviving
8 payable on death beneficiary pursuant to K.S.A. 2024 Supp. 38-2504(e),
9 and amendments thereto.

10 (c) There shall be subtracted from federal adjusted gross income:

11 (i) Interest or dividend income on obligations or securities of any
12 authority, commission or instrumentality of the United States and its
13 possessions less any related expenses directly incurred in the purchase of
14 such obligations or securities, to the extent included in federal adjusted
15 gross income but exempt from state income taxes under the laws of the
16 United States.

17 (ii) Any amounts received which are included in federal adjusted
18 gross income but which are specifically exempt from Kansas income
19 taxation under the laws of the state of Kansas.

20 (iii) The portion of any gain or loss from the sale or other disposition
21 of property having a higher adjusted basis for Kansas income tax purposes
22 than for federal income tax purposes on the date such property was sold or
23 disposed of in a transaction in which gain or loss was recognized for
24 purposes of federal income tax that does not exceed such difference in
25 basis, but if a gain is considered a long-term capital gain for federal
26 income tax purposes, the modification shall be limited to that portion of
27 such gain which is included in federal adjusted gross income.

28 (iv) The amount necessary to prevent the taxation under this act of
29 any annuity or other amount of income or gain which was properly
30 included in income or gain and was taxed under the laws of this state for a
31 taxable year prior to the effective date of this act, as amended, to the
32 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
33 the right to receive the income or gain, or to a trust or estate from which
34 the taxpayer received the income or gain.

35 (v) The amount of any refund or credit for overpayment of taxes on
36 or measured by income or fees or payments in lieu of income taxes
37 imposed by this state, or any taxing jurisdiction, to the extent included in
38 gross income for federal income tax purposes.

39 (vi) Accumulation distributions received by a taxpayer as a
40 beneficiary of a trust to the extent that the same are included in federal
41 adjusted gross income.

42 (vii) Amounts received as annuities under the federal civil service
43 retirement system from the civil service retirement and disability fund and

1 other amounts received as retirement benefits in whatever form which
2 were earned for being employed by the federal government or for service
3 in the armed forces of the United States.

4 (viii) Amounts received by retired railroad employees as a
5 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and
6 228c(a)(1) et seq.

7 (ix) Amounts received by retired employees of a city and by retired
8 employees of any board of such city as retirement allowances pursuant to
9 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter
10 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and
11 amendments thereto.

12 (x) (1) For taxable years beginning after December 31, 2021, the
13 amount of any federal credit disallowance under the provisions of 26
14 U.S.C. § 280C(a).

15 (2) For taxable years beginning after December 31, 2019, and ending
16 before January 1, 2022, 50% of the amount of the federal employee
17 retention credit disallowance under rules similar to the rules of 26 U.S.C. §
18 280C(a). The taxpayer shall be required to prove that such taxpayer
19 previously filed Kansas income tax returns and paid Kansas income tax on
20 the disallowed amount. Notwithstanding any other provision of law to the
21 contrary, any claim for refund or amended return relating to this
22 subparagraph shall be allowed to be filed on or before April 15, 2025, and
23 no claim for refund or amended return shall be allowed or filed after April
24 15, 2025.

25 (xi) For taxable years beginning after December 31, 1986, dividend
26 income on stock issued by Kansas venture capital, inc.

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

31 (xiii) For taxable years beginning after December 31, 2004, amounts
32 contributed to and the amount of income earned on contributions deposited
33 to an individual development account under K.S.A. 74-50,201 et seq., and
34 amendments thereto.

35 (xiv) For all taxable years commencing after December 31, 1996, that
36 portion of any income of a bank organized under the laws of this state or
37 any other state, a national banking association organized under the laws of
38 the United States, an association organized under the savings and loan
39 code of this state or any other state, or a federal savings association
40 organized under the laws of the United States, for which an election as an
41 S corporation under subchapter S of the federal internal revenue code is in
42 effect, which accrues to the taxpayer who is a stockholder of such
43 corporation and which is not distributed to the stockholders as dividends of

1 the corporation. For taxable years beginning after December 31, 2012, and
2 ending before January 1, 2017, the amount of modification under this
3 subsection shall exclude the portion of income or loss reported on schedule
4 E and included on line 17 of the taxpayer's form 1040 federal individual
5 income tax return.

6 (xv) The cumulative amounts not exceeding \$3,000, or \$6,000 for a
7 married couple filing a joint return, for each designated beneficiary that
8 are contributed to: (1) A family postsecondary education savings account
9 established under the Kansas postsecondary education savings program or
10 a qualified tuition program established and maintained by another state or
11 agency or instrumentality thereof pursuant to section 529 of the internal
12 revenue code of 1986, as amended, for the purpose of paying the qualified
13 higher education expenses of a designated beneficiary; or (2) an achieving
14 a better life experience (ABLE) account established under the Kansas
15 ABLE savings program or a qualified ABLE program established and
16 maintained by another state or agency or instrumentality thereof pursuant
17 to section 529A of the internal revenue code of 1986, as amended, for the
18 purpose of saving private funds to support an individual with a disability.
19 The terms and phrases used in this paragraph shall have the meaning
20 respectively ascribed thereto by the provisions of K.S.A. 75-643 and 75-
21 652, and amendments thereto, and the provisions of such sections are
22 hereby incorporated by reference for all purposes thereof. For all taxable
23 years beginning after December 31, 2022, contributions made to a
24 qualified tuition program account or a qualified ABLE program account
25 pursuant to this paragraph on and after January 1 but prior to the date
26 required for filing a return pursuant to K.S.A. 79-3221, and amendments
27 thereto, of the successive taxable year may be elected by the taxpayer to
28 apply to the prior taxable year if such election is made at the time of filing
29 the return. No contribution shall be used as a modification pursuant to this
30 paragraph in more than one taxable year.

31 (xvi) For all taxable years beginning after December 31, 2004,
32 amounts received by taxpayers who are or were members of the armed
33 forces of the United States, including service in the Kansas army and air
34 national guard, as a recruitment, sign up or retention bonus received by
35 such taxpayer as an incentive to join, enlist or remain in the armed services
36 of the United States, including service in the Kansas army and air national
37 guard, and amounts received for repayment of educational or student loans
38 incurred by or obligated to such taxpayer and received by such taxpayer as
39 a result of such taxpayer's service in the armed forces of the United States,
40 including service in the Kansas army and air national guard.

41 (xvii) For all taxable years beginning after December 31, 2004,
42 amounts received by taxpayers who are eligible members of the Kansas
43 army and air national guard as a reimbursement pursuant to K.S.A. 48-

1 281, and amendments thereto, and amounts received for death benefits
2 pursuant to K.S.A. 48-282, and amendments thereto, to the extent that
3 such death benefits are included in federal adjusted gross income of the
4 taxpayer.

5 (xviii) (A) For all taxable years beginning after December 31, 2007,
6 and ending before January 1, 2024, amounts received as benefits under the
7 federal social security act which are included in federal adjusted gross
8 income of a taxpayer with federal adjusted gross income of \$75,000 or
9 less, whether such taxpayer's filing status is single, head of household,
10 married filing separate or married filing jointly.

11 (B) For all taxable years beginning after December 31, 2023, amounts
12 received as benefits under the federal social security act that are included
13 in federal adjusted gross income of a taxpayer.

14 (xix) Amounts received by retired employees of Washburn university
15 as retirement and pension benefits under the university's retirement plan.

16 (xx) For taxable years beginning after December 31, 2012, and
17 ending before January 1, 2017, the amount of any: (1) Net profit from
18 business as determined under the federal internal revenue code and
19 reported from schedule C and on line 12 of the taxpayer's form 1040
20 federal individual income tax return; (2) net income, not including
21 guaranteed payments as defined in section 707(c) of the federal internal
22 revenue code and as reported to the taxpayer from federal schedule K-1,
23 (form 1065-B), in box 9, code F or as reported to the taxpayer from federal
24 schedule K-1, (form 1065) in box 4, from rental real estate, royalties,
25 partnerships, S corporations, estates, trusts, residual interest in real estate
26 mortgage investment conduits and net farm rental as determined under the
27 federal internal revenue code and reported from schedule E and on line 17
28 of the taxpayer's form 1040 federal individual income tax return; and (3)
29 net farm profit as determined under the federal internal revenue code and
30 reported from schedule F and on line 18 of the taxpayer's form 1040
31 federal income tax return; all to the extent included in the taxpayer's
32 federal adjusted gross income. For purposes of this subsection, references
33 to the federal form 1040 and federal schedule C, schedule E, and schedule
34 F, shall be to such form and schedules as they existed for tax year 2011
35 and as revised thereafter by the internal revenue service.

36 (xxi) For all taxable years beginning after December 31, 2013,
37 amounts equal to the unreimbursed travel, lodging and medical
38 expenditures directly incurred by a taxpayer while living, or a dependent
39 of the taxpayer while living, for the donation of one or more human organs
40 of the taxpayer, or a dependent of the taxpayer, to another person for
41 human organ transplantation. The expenses may be claimed as a
42 subtraction modification provided for in this section to the extent the
43 expenses are not already subtracted from the taxpayer's federal adjusted

1 gross income. In no circumstances shall the subtraction modification
2 provided for in this section for any individual, or a dependent, exceed
3 \$5,000. As used in this section, "human organ" means all or part of a liver,
4 pancreas, kidney, intestine, lung or bone marrow. The provisions of this
5 paragraph shall take effect on the day the secretary of revenue certifies to
6 the director of the budget that the cost for the department of revenue of
7 modifications to the automated tax system for the purpose of
8 implementing this paragraph will not exceed \$20,000.

9 (xxii) For taxable years beginning after December 31, 2012, and
10 ending before January 1, 2017, the amount of net gain from the sale of: (1)
11 Cattle and horses, regardless of age, held by the taxpayer for draft,
12 breeding, dairy or sporting purposes, and held by such taxpayer for 24
13 months or more from the date of acquisition; and (2) other livestock,
14 regardless of age, held by the taxpayer for draft, breeding, dairy or
15 sporting purposes, and held by such taxpayer for 12 months or more from
16 the date of acquisition. The subtraction from federal adjusted gross income
17 shall be limited to the amount of the additions recognized under the
18 provisions of subsection (b)(xix) attributable to the business in which the
19 livestock sold had been used. As used in this paragraph, the term
20 "livestock" shall not include poultry.

21 (xxiii) For all taxable years beginning after December 31, 2012,
22 amounts received under either the Overland Park, Kansas police
23 department retirement plan or the Overland Park, Kansas fire department
24 retirement plan, both as established by the city of Overland Park, pursuant
25 to the city's home rule authority.

26 (xxiv) For taxable years beginning after December 31, 2013, and
27 ending before January 1, 2017, the net gain from the sale from Christmas
28 trees grown in Kansas and held by the taxpayer for six years or more.

29 (xxv) For all taxable years commencing after December 31, 2020,
30 100% of global intangible low-taxed income under section 951A of the
31 federal internal revenue code of 1986, before any deductions allowed
32 under section 250(a)(1)(B) of such code.

33 (xxvi) (1) For all taxable years commencing after December 31,
34 2020, the amount of any interest expense paid or accrued in the current
35 taxable year and disallowed as a deduction pursuant to section 163(j) of
36 the federal internal revenue code.

37 (2) For purposes of this paragraph, an interest expense is considered
38 paid or accrued only in the first taxable year the deduction would have
39 been allowable pursuant to section 163 of the federal internal revenue code
40 if the limitation pursuant to section 163(j) of the federal internal revenue
41 code did not exist.

42 (3) For tax year 2021, an amount equal to the sum of any interest
43 expenses paid or accrued in tax years 2018, 2019 and 2020 less the sum of

1 amounts allowed as a deduction pursuant to section 163 of the federal
2 internal revenue code in tax years 2018, 2019 and 2020.

3 (xxvii) For taxable years commencing after December 31, 2020, the
4 amount disallowed as a deduction pursuant to section 274 of the federal
5 internal revenue code of 1986 for meal expenditures shall be allowed to
6 the extent such expense was deductible for determining federal income tax
7 and was allowed and in effect on December 31, 2017.

8 (xxviii) For all taxable years beginning after December 31, 2021: (1)
9 The amount contributed to a first-time home buyer savings account
10 pursuant to K.S.A. 2024 Supp. 58-4903, and amendments thereto, in an
11 amount not to exceed \$3,000 for an individual or \$6,000 for a married
12 couple filing a joint return; or (2) amounts received as income earned from
13 assets in a first-time home buyer savings account. For all taxable years
14 beginning after December 31, 2022, contributions made to a first-time
15 home buyer savings account pursuant to subparagraph (1) on and after
16 January 1 but prior to the date required for filing a return pursuant to
17 K.S.A. 79-3221, and amendments thereto, of the successive taxable year
18 may be elected by the taxpayer to apply to the prior taxable year if such
19 election is made at the time of filing the return. No contribution shall be
20 used as a modification pursuant to subparagraph (1) in more than one
21 taxable year.

22 (xxix) For taxable years beginning after December 31, 2017, for an
23 individual taxpayer who carried back federal net operating losses arising in
24 a taxable year beginning after December 31, 2017, and before January 1,
25 2021, pursuant to section 172(b)(1) of the federal internal revenue code as
26 amended by the coronavirus aid, relief, and economic security act
27 (CARES act), the amount of such federal net operating loss carryback for
28 each applicable year. If the amount of such federal net operating loss
29 carryback exceeds the taxpayer's Kansas adjusted gross income for such
30 taxable year, the amount thereof that exceeds such Kansas adjusted gross
31 income may be carried forward as a subtraction modification in the
32 following taxable year or years until the total amount of such federal net
33 operating loss carryback has been deducted, except that no such unused
34 amount shall be carried forward for deduction as a subtraction
35 modification after the 20th taxable year following the taxable year of the
36 net operating loss. Notwithstanding any other provision of law to the
37 contrary, an extension of time shall be allowed for a claim for refund or
38 amended return for tax years 2018, 2019 or 2020 limited to the application
39 of the provisions of this paragraph and such claim for refund or amended
40 return must be filed on or before April 15, 2025.

41 (xxx) For all taxable years beginning after December 31, 2024: (1)
42 The amount contributed to an adoption savings account pursuant to K.S.A.
43 2024 Supp. 38-2503, and amendments thereto, in an amount not to exceed

1 \$6,000 for an individual or \$12,000 for a married couple filing a joint
2 return; or (2) amounts received as income earned from assets in an
3 adoption savings account.

4 *(xxxi) For taxable years commencing after December 31, 2020,*
5 *amounts received by the taxpayer who resides within 10 miles of property*
6 *used as a farm or ranch and ownership of property was transferred*
7 *pursuant to:*

8 *(1) An appraiser's award or final judgment and the property was as*
9 *taken by either the Kansas department of transportation or a public utility,*
10 *as provided in K.S.A. 26-501b, and amendments thereto, pursuant to the*
11 *eminent domain procedure act, if such amounts are included in federal*
12 *adjusted gross income of the taxpayer; or*

13 *(2) the sale of the property to either the Kansas department of*
14 *transportation or a public utility, as defined in K.S.A. 66-104, and*
15 *amendments thereto, if such amounts are included in federal adjusted*
16 *gross income of the taxpayer and such sale would otherwise be subject to*
17 *a taking, as provided in K.S.A. 26-501, and amendments thereto.*

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

22 (e) The amount of modifications required to be made under this
23 section by a partner which relates to items of income, gain, loss, deduction
24 or credit of a partnership shall be determined under K.S.A. 79-32,131, and
25 amendments thereto, to the extent that such items affect federal adjusted
26 gross income of the partner.

27 Sec. 2. K.S.A. 2024 Supp. 79-32,117 is hereby repealed.

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