

Date: _____

Attachment: _____

100.1
New Sec. 49. (a) For Kansas income tax purposes: (1) The basis of a partner's interest in a partnership formed prior to January 1, 2013, shall be the same as that determined by computing the basis as January 1, 2013 pursuant to in accordance with section 705 of the federal internal revenue code as in effect on January 1, 2013, and amendments thereto; and making any subsequent adjustments to the partner's interest as provided in section 733 of the federal internal revenue code as in effect on January 1, 2013, and amendments thereto.

(2) The basis of a partner's interest in a partnership formed on or after January 1, 2013 shall be determined by computing the basis as of the date of formation of the partnership in accordance with section 705 of the federal internal revenue code as in effect on January 1, 2013, and amendments thereto, and making any subsequent adjustments to the partners' interest as provided in section 733 of the federal internal revenue code as in effect on January 1, 2013, and amendments thereto.

(2) (b)(1) The basis of each shareholder's stock and indebtedness in an S corporation formed prior to January 1, 2013, shall be the same as that determined by computing the basis as of January 1, 2013 pursuant to in accordance with section 1367 of the federal internal revenue code as in effect on January 1, 2013, and amendments thereto; and making any subsequent adjustments to the shareholder's stock and indebtedness as provided in section 1367(a)(2)(A) of the federal internal revenue code as in effect on January 1, 2013, and amendments thereto.

(2) The basis of each shareholder's stock and indebtedness in an S corporation formed on or after January 1, 2013 shall be determined by computing the basis as of the date of formation of the S corporation in accordance with section 1367 of the federal internal revenue code as in effect on January 1, 2013, and amendments thereto, and making any subsequent adjustments to the shareholders stock and indebtedness as provided in section 1367(a)(2)(A) of the federal internal revenue code as in effect on January 1, 2013, and amendments thereto.

(b) (c) The provisions of this section shall be effective for tax year 2013, and all tax years thereafter.

House Taxation

Date: 2/20/12

Attachment: 21

1 ~~shall be made: (i) Modified Kansas source income for that period during~~
2 ~~which such individual was a resident shall include all items of income,~~
3 ~~gain, loss or deductions as set forth in K.S.A. 79-32,117, and amendments~~
4 ~~thereto, whether or not derived from sources within Kansas; and (ii) the~~
5 ~~credit provided by K.S.A. 79-32,111, and amendments thereto, shall be~~
6 ~~allowed. For purposes of computing such credit, the amount of income~~
7 ~~taxes paid to another state shall be deemed to be limited by an amount~~
8 ~~which bears the same proportion to the total taxes paid to such other state~~
9 ~~for such year as the amount of Kansas adjusted gross income derived from~~
10 ~~sources within that state while such individual was a resident bears to the~~
11 ~~total Kansas adjusted gross income derived from sources within such state~~
12 ~~for such year.~~

13 Sec. ~~16~~. On and after January 1, 2013, K.S.A. 2011 Supp. 79-32,138
14 is hereby amended to read as follows: 79-32,138. (a) Kansas taxable
15 income of a corporation taxable under this act shall be the corporation's
16 federal taxable income for the taxable year with the modifications
17 specified in this section.

18 (b) There shall be added to federal taxable income: (i) The same
19 modifications as are set forth in subsection (b) of K.S.A. 79-32,117, and
20 amendments thereto, with respect to resident individuals, *except*
21 *subsections (b)(xix), (b)(xx), (b)(xxi), (b)(xxii) and (b)(xxiii).*

22 (ii) The amount of all depreciation deductions claimed for any
23 property upon which the deduction allowed by K.S.A. 2011 Supp. 79-
24 32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-
25 32,255 or 79-32,256, and amendments thereto, is claimed.

26 (iii) The amount of any charitable contribution deduction claimed for
27 any contribution or gift to or for the use of any racially segregated
28 educational institution.

29 (c) There shall be subtracted from federal taxable income: (i) The
30 same modifications as are set forth in subsection (c) of K.S.A. 79-32,117,
31 and amendments thereto, with respect to resident individuals, *except*
32 *subsection (c)(xix).*

33 (ii) The federal income tax liability for any taxable year commencing
34 prior to December 31, 1971, for which a Kansas return was filed after
35 reduction for all credits thereon, except credits for payments on estimates
36 of federal income tax, credits for gasoline and lubricating oil tax, and for
37 foreign tax credits if, on the Kansas income tax return for such prior year,
38 the federal income tax deduction was computed on the basis of the federal
39 income tax paid in such prior year, rather than as accrued. Notwithstanding
40 the foregoing, the deduction for federal income tax liability for any year
41 shall not exceed that portion of the total federal income tax liability for
42 such year which bears the same ratio to the total federal income tax
43 liability for such year as the Kansas taxable income, as computed before

1 any deductions for federal income taxes and after application of
2 subsections (d) and (e) of this section as existing for such year, bears to the
3 federal taxable income for the same year.

4 (iii) An amount for the amortization deduction allowed pursuant to
5 K.S.A. 2011 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-
6 32,249, 79-32,250, 79-32,255 or 79-32,256, and amendments thereto.

7 (iv) For all taxable years commencing after December 31, 1987, the
8 amount included in federal taxable income pursuant to the provisions of
9 section 78 of the internal revenue code.

10 (v) For all taxable years commencing after December 31, 1987, 80%
11 of dividends from corporations incorporated outside of the United States
12 or the District of Columbia which are included in federal taxable income.

13 (d) If any corporation derives all of its income from sources within
14 Kansas in any taxable year commencing after December 31, 1979, its
15 Kansas taxable income shall be the sum resulting after application of
16 subsections (a) through (c) hereof. Otherwise, such corporation's Kansas
17 taxable income in any such taxable year, after excluding any refunds of
18 federal income tax and before the deduction of federal income taxes
19 provided by subsection (c)(ii) shall be allocated as provided in K.S.A. 79-
20 3271 to K.S.A. 79-3293, inclusive, and amendments thereto, plus any
21 refund of federal income tax as determined under paragraph (iv) of
22 subsection (b) of K.S.A. 79-32,117, and amendments thereto, and minus
23 the deduction for federal income taxes as provided by subsection (c)(ii)
24 shall be such corporation's Kansas taxable income.

25 (e) A corporation may make an election with respect to its first
26 taxable year commencing after December 31, 1982, whereby no addition
27 modifications as provided for in subsection (b)(ii) of K.S.A. 79-32,138,
28 *and amendments thereto*, and subtraction modifications as provided for in
29 subsection (c)(iii) of K.S.A. 79-32,138, *and amendments thereto*, as those
30 subsections existed prior to their amendment by this act, shall be required
31 to be made for such taxable year.

32 ~~Sec. 17. On and after January 1, 2013, K.S.A. 2011 Supp. 79-32,143~~
33 ~~is hereby amended to read as follows: 79-32,143. (a) For net operating~~
34 ~~losses incurred in taxable years beginning after December 31, 1987, a net~~
35 ~~operating loss deduction shall be allowed in the same manner that it is~~
36 ~~allowed under the federal internal revenue code except that such net~~
37 ~~operating loss may only be carried forward to each of the 10 taxable years~~
38 ~~following the taxable year of the net operating loss. For net operating farm~~
39 ~~losses, as defined by subsection (i) of section 172 of the federal internal~~
40 ~~revenue code, incurred in taxable years beginning after December 31,~~
41 ~~1999, a net operating loss deduction shall be allowed in the same manner~~
42 ~~that it is allowed under the federal internal revenue code except that such~~
43 ~~net operating loss may be carried forward to each of the 10 taxable years~~