

SENATE BILL No. 196

By Committee on Ways and Means

2-13

1 AN ACT concerning public charter schools; creating the Kansas public
 2 charter school act; amending K.S.A. 2012 Supp. 72-6407, 79-32, 117
 3 and 79-32, 138 and repealing the existing sections; also repealing
 4 K.S.A. 72-1903, 72-1904, 72-1908, 72-1909 and 72-1911 and K.S.A.
 5 2012 Supp. 72-1906, 72-1907 and 72-1910.

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

7
 8 New Section 1. The provisions of sections 1 through 27, and
 9 amendments thereto, shall be known and may be cited as the Kansas
 10 public charter school act.

11 New Sec. 2. (a) The legislature hereby finds and declares the
 12 following:

13 (1) The state of Kansas recognizes the establishment of public charter
 14 schools as necessary to improving the opportunities of all families to
 15 choose the public school that meets the needs of their children, and
 16 believes that public charter schools serve a distinct purpose in supporting
 17 innovations and best practices that can be adopted among all public
 18 schools.

19 (2) The state of Kansas recognizes that there must be a variety of
 20 public institutions that can authorize the establishment of public charter
 21 schools as defined by law, and recognizes that independent but publicly
 22 accountable multiple authorizing authorities, such as independent state
 23 entities or universities, contribute to the health and growth of strong and
 24 innovative public charter schools.

25 (b) The legislature hereby finds and declares that the purpose of this
 26 act is to do the following:

27 (1) Allow the creation of innovative public charter schools which
 28 may operate independently of state laws or rules and regulations, other
 29 than those specified in this act, deemed by the public charter school
 30 authorizer to hinder its goals to achieve at the highest level possible;

31 (2) establish that existing or new public entities may be created to
 32 approve and monitor public charter schools in addition to unified school
 33 district school boards; and

34 (3) remove procedural and funding barriers to public charter school
 35 success.

36 New Sec. 3. As used in sections 1 through 27, and amendments

Proposed Amendments for SB 196
 For Committee on Senate Education
 March 18, 2013
**Re: Removal of tax credit; creation of tax deduction
 limited to public charter schools**
 Prepared by: Eunice Peters
 Office of Revisor of Statutes

1 New Sec. 25. The provisions of sections 1 through 27, and
2 amendments thereto, should be interpreted liberally to support the findings
3 and purposes of this section and to advance a renewed commitment by the
4 state to the mission, goals and diversity of public education.

5 New Sec. 26. Notwithstanding any provision of law to the contrary, to
6 the extent that any provision of sections 1 through 27, and amendments
7 thereto, is inconsistent with any other state or local law, rule or regulation,
8 the provisions of sections 1 through 27, and amendments thereto, shall
9 govern and be controlling.

10 New Sec. 27. If any provisions of sections 1 through 27, and
11 amendments thereto, or the application thereof to any person or
12 circumstance is held invalid, the invalidity shall not affect other provisions
13 or applications of sections 1 through 27, and amendments thereto, which
14 can be given effect without the invalid provisions or application and, to
15 this end, the provisions of sections 1 through 27, and amendments thereto,
16 are severable.

17 ~~New Sec. 28. (a) There shall be allowed a credit against the income
18 tax liability imposed upon a taxpayer pursuant to the Kansas income tax
19 act, the privilege tax liability imposed upon a taxpayer pursuant to the
20 privilege tax imposed upon any national banking association, state bank,
21 trust company or savings and loan association pursuant to article 11 of
22 chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and
23 the premium tax liability imposed upon a taxpayer pursuant to the
24 premiums tax and privilege fees imposed upon an insurance company
25 pursuant to K.S.A. 40-252, and amendments thereto, for tax years
26 commencing after December 31, 2012, an amount equal to 100% of the
27 amount contributed to a school district or public charter school, as defined
28 in section 3, and amendments thereto.~~

29 ~~(b) The credit shall be claimed and deducted from the taxpayer's tax
30 liability during the tax year in which the contribution was made to the
31 school district or public charter school.~~

32 ~~(c) If the amount of any such tax credit claimed by a taxpayer
33 exceeds the taxpayer's income, privilege or premium tax liability, such
34 excess amount may be carried over for deduction from the taxpayer's
35 income, privilege or premium tax liability in the next succeeding year or
36 years until the total amount of the credit has been deducted from tax
37 liability.~~

38 ~~(d) The secretary shall adopt rules and regulations regarding the filing
39 of documents that support the amount of credit claimed pursuant to this
40 section.~~

41 Sec. 29. K.S.A. 2012 Supp. 72-6407 is hereby amended to read as
42 follows: 72-6407. (a) (1) "Pupil" means any person who is regularly
43 enrolled in a district and attending kindergarten or any of the grades one

Strike section 28 and by renumbering the remaining sections accordingly.

4-2

1 K.S.A. 72-6412, and amendments thereto.

2 (s) "High density at-risk pupil weighting" means an addend
3 component assigned to enrollment of districts to which the provisions of
4 K.S.A. 2012 Supp. 72-6455, and amendments thereto, apply.

5 (t) "Nonproficient pupil" means a pupil who is not eligible for free
6 meals under the national school lunch act and who has scored less than
7 proficient on the mathematics or reading state assessment during the
8 preceding school year and who is enrolled in a district which maintains an
9 approved proficiency assistance plan.

10 (u) "Nonproficient pupil weighting" means an addend component
11 assigned to enrollment of districts on the basis of enrollment of
12 nonproficient pupils pursuant to K.S.A. 2012 Supp. 72-6454, and
13 amendments thereto.

14 (v) "Psychiatric residential treatment facility" has the meaning
15 ascribed thereto by K.S.A. 72-8187, and amendments thereto.

16 ~~(w) "Medium density at-risk pupil weighting" means an addend~~
17 ~~component assigned to enrollment of districts to which the provisions of~~
18 ~~K.S.A. 2012 Supp. 72-6459, and amendments thereto, apply.~~

19 Sec. 30. K.S.A. 2012 Supp. 79-32,117 is hereby amended to read as
20 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual
21 means such individual's federal adjusted gross income for the taxable year,
22 with the modifications specified in this section.

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

24 (i) Interest income less any related expenses directly incurred in the
25 purchase of state or political subdivision obligations, to the extent that the
26 same is not included in federal adjusted gross income, on obligations of
27 any state or political subdivision thereof, but to the extent that interest
28 income on obligations of this state or a political subdivision thereof issued
29 prior to January 1, 1988, is specifically exempt from income tax under the
30 laws of this state authorizing the issuance of such obligations, it shall be
31 excluded from computation of Kansas adjusted gross income whether or
32 not included in federal adjusted gross income. Interest income on
33 obligations of this state or a political subdivision thereof issued after
34 December 31, 1987, shall be excluded from computation of Kansas
35 adjusted gross income whether or not included in federal adjusted gross
36 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
42 amendments thereto, for privilege tax year 1995, and all such years
43 thereafter.

4-4

- 1 (iii) The federal net operating loss deduction.
- 2 (iv) Federal income tax refunds received by the taxpayer if the
- 3 deduction of the taxes being refunded resulted in a tax benefit for Kansas
- 4 income tax purposes during a prior taxable year. Such refunds shall be
- 5 included in income in the year actually received regardless of the method
- 6 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall
- 7 be deemed to have resulted if the amount of the tax had been deducted in
- 8 determining income subject to a Kansas income tax for a prior year
- 9 regardless of the rate of taxation applied in such prior year to the Kansas
- 10 taxable income, but only that portion of the refund shall be included as
- 11 bears the same proportion to the total refund received as the federal taxes
- 12 deducted in the year to which such refund is attributable bears to the total
- 13 federal income taxes paid for such year. For purposes of the foregoing
- 14 sentence, federal taxes shall be considered to have been deducted only to
- 15 the extent such deduction does not reduce Kansas taxable income below
- 16 zero.
- 17 (v) The amount of any depreciation deduction or business expense
- 18 deduction claimed on the taxpayer's federal income tax return for any
- 19 capital expenditure in making any building or facility accessible to the
- 20 handicapped, for which expenditure the taxpayer claimed the credit
- 21 allowed by K.S.A. 79-32,177, and amendments thereto.
- 22 (vi) Any amount of designated employee contributions picked up by
- 23 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,
- 24 and amendments thereto.
- 25 (vii) The amount of any charitable contribution made to the extent the
- 26 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
- 27 32,196, and amendments thereto.
- 28 (viii) The amount of any costs incurred for improvements to a swine
- 29 facility, claimed for deduction in determining federal adjusted gross
- 30 income, to the extent the same is claimed as the basis for any credit
- 31 allowed pursuant to K.S.A. 2012 Supp. 79-32,204, and amendments
- 32 thereto.
- 33 (ix) The amount of any ad valorem taxes and assessments paid and
- 34 the amount of any costs incurred for habitat management or construction
- 35 and maintenance of improvements on real property, claimed for deduction
- 36 in determining federal adjusted gross income, to the extent the same is
- 37 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,
- 38 and amendments thereto.
- 39 (x) Amounts received as nonqualified withdrawals, as defined by
- 40 K.S.A. 2012 Supp. 75-643, and amendments thereto, if, at the time of
- 41 contribution to a family postsecondary education savings account, such
- 42 amounts were subtracted from the federal adjusted gross income pursuant
- 43 to paragraph (xv) of subsection (c) of K.S.A. 79-32,117, and amendments

1 there to, or if such amounts are not already included in the federal adjusted
2 gross income.

3 (xi) The amount of any contribution made to the same extent the
4 same is claimed as the basis for the credit allowed pursuant to K.S.A. 2012
5 Supp. 74-50,154, and amendments thereto.

6 (xii) For taxable years commencing after December 31, 2004,
7 amounts received as withdrawals not in accordance with the provisions of
8 K.S.A. 2012 Supp. 74-50,204, and amendments thereto, if, at the time of
9 contribution to an individual development account, such amounts were
10 subtracted from the federal adjusted gross income pursuant to paragraph
11 (xiii) of subsection (c), or if such amounts are not already included in the
12 federal adjusted gross income.

13 (xiii) The amount of any expenditures claimed for deduction in
14 determining federal adjusted gross income, to the extent the same is
15 claimed as the basis for any credit allowed pursuant to K.S.A. 2012 Supp.
16 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

17 (xiv) The amount of any amortization deduction claimed in
18 determining federal adjusted gross income to the extent the same is
19 claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,221, and
20 amendments thereto.

21 (xv) The amount of any expenditures claimed for deduction in
22 determining federal adjusted gross income, to the extent the same is
23 claimed as the basis for any credit allowed pursuant to K.S.A. 2012 Supp.
24 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233
25 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-
26 32,248 or 79-32,251 through 79-32,254, and amendments thereto.

27 (xvi) 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. 2012 Supp. 79-32,227, 79-
30 32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments
31 thereto.

32 (xvii) The amount of any amortization deduction claimed in
33 determining federal adjusted gross income to the extent the same is
34 claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,256, and
35 amendments thereto.

36 (xviii) For taxable years commencing after December 31, 2006, the
37 amount of any ad valorem or property taxes and assessments paid to a state
38 other than Kansas or local government located in a state other than Kansas
39 by a taxpayer who resides in a state other than Kansas, when the law of
40 such state does not allow a resident of Kansas who earns income in such
41 other state to claim a deduction for ad valorem or property taxes or
42 assessments paid to a political subdivision of the state of Kansas in
43 determining taxable income for income tax purposes in such other state, to

4-5

1 the extent that such taxes and assessments are claimed as an itemized
2 deduction for federal income tax purposes.

3 (xix) For all taxable years beginning after December 31, 2012, the
4 amount of any: (1) Loss from business as determined under the federal
5 internal revenue code and reported from schedule C and on line 12 of the
6 taxpayer's form 1040 federal individual income tax return; (2) loss from
7 rental real estate, royalties, partnerships, S corporations, estates, trusts,
8 residual interest in real estate mortgage investment conduits and net farm
9 rental as determined under the federal internal revenue code and reported
10 from schedule E and on line 17 of the taxpayer's form 1040 federal
11 individual income tax return; and (3) farm loss as determined under the
12 federal internal revenue code and reported from schedule F and on line 18
13 of the taxpayer's form 1040 federal income tax return; all to the extent
14 deducted or subtracted in determining the taxpayer's federal adjusted gross
15 income. For purposes of this subsection, references to the federal form
16 1040 and federal schedule C, schedule E, and schedule F, shall be to such
17 form and schedules as they existed for tax year 2011, and as revised
18 thereafter by the internal revenue service.

19 (xx) For all taxable years beginning after December 31, 2012, the
20 amount of any deduction for self-employment taxes under section 164(f)
21 of the federal internal revenue code as in effect on January 1, 2012, and
22 amendments thereto, in determining the federal adjusted gross income of
23 an individual taxpayer.

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

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

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

39 ~~(xxiv) The amount of any charitable contribution made to a school~~
40 ~~district or a public charter school to the extent the same is claimed as the~~
41 ~~basis for the credit allowed pursuant to section 28, and amendments~~
42 ~~hereto.~~
43 (c) There shall be subtracted from federal adjusted gross income:

Strike

1 (i) Interest or dividend income on obligations or securities of any
2 authority, commission or instrumentality of the United States and its
3 possessions 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
9 taxation 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 or
13 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
16 income 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
20 included 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
27 imposed 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
30 beneficiary of a trust to the extent that the same are included in federal
31 adjusted gross income.

32 (vii) Amounts received as annuities under the federal civil service
33 retirement system from the civil service retirement and disability fund and
34 other amounts received as retirement benefits in whatever form which
35 were earned for being employed by the federal government or for service
36 in the armed forces of the United States.

37 (viii) Amounts received by retired railroad employees as a
38 supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and
39 228c (a)(1) 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 of
4 26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the
5 amount of the targeted jobs tax credit and work incentive credit
6 disallowances 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 deposited
15 to an individual development account under K.S.A. 2012 Supp. 74-50,201
16 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 of
20 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
22 organized 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 in
24 effect, which accrues to the taxpayer who is a stockholder of such
25 corporation and which is not distributed to the stockholders as dividends of
26 the corporation. For all taxable years beginning after December 31, 2012,
27 the amount of modification under this subsection shall exclude the portion
28 of income or loss reported on schedule E and included on line 17 of the
29 taxpayer's form 1040 federal individual income tax return.

30 (xv) For all taxable years beginning after December 31, 2006,
31 amounts not exceeding \$3,000, or \$6,000 for a married couple filing a
32 joint return, for each designated beneficiary which are contributed to a
33 family postsecondary education savings account established under the
34 Kansas postsecondary education savings program or a qualified tuition
35 program established and maintained by another state or agency or
36 instrumentality thereof pursuant to section 529 of the internal revenue
37 code of 1986, as amended, for the purpose of paying the qualified higher
38 education expenses of a designated beneficiary at an institution of
39 postsecondary education. The terms and phrases used in this paragraph
40 shall have the meaning respectively ascribed thereto by the provisions of
41 K.S.A. 2012 Supp. 75-643, and amendments thereto, and the provisions of
42 such section are hereby incorporated by reference for all purposes thereof.
43 (xvi) For all taxable years beginning after December 31, 2004,

4-8

1 amounts received by taxpayers who are or were members of the armed
2 forces of the United States, including service in the Kansas army and air
3 national guard, as a recruitment, sign up or retention bonus received by
4 such taxpayer as an incentive to join, enlist or remain in the armed services
5 of the United States, including service in the Kansas army and air national
6 guard, and amounts received for repayment of educational or student loans
7 incurred by or obligated to such taxpayer and received by such taxpayer as
8 a result of such taxpayer's service in the armed forces of the United States,
9 including service in the Kansas army and air national guard.

10 (xvii) For all taxable years beginning after December 31, 2004,
11 amounts received by taxpayers who are eligible members of the Kansas
12 army and air national guard as a reimbursement pursuant to K.S.A. 48-
13 281, and amendments thereto, and amounts received for death benefits
14 pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section
15 1 or section 2 of chapter 207 of the 2005 session laws of Kansas, and
16 amendments thereto, to the extent that such death benefits are included in
17 federal adjusted gross income of the taxpayer.

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

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

31 (xx) For all taxable years beginning after December 31, 2012, the
32 amount of any: (1) Net profit from business as determined under the
33 federal internal revenue code and reported from schedule C and on line 12
34 of the taxpayer's form 1040 federal individual income tax return; (2) net
35 income from rental real estate, royalties, partnerships, S corporations,
36 estates, trusts, residual interest in real estate mortgage investment conduits
37 and net farm rental as determined under the federal internal revenue code
38 and reported from schedule E and on line 17 of the taxpayer's form 1040
39 federal individual income tax return; and (3) net farm profit as determined
40 under the federal internal revenue code and reported from schedule F and
41 on line 18 of the taxpayer's form 1040 federal income tax return; all to the
42 extent included in the taxpayer's federal adjusted gross income. For
43 purposes of this subsection, references to the federal form 1040 and

1 federal schedule C, schedule E, and schedule F, shall be to such form and
2 schedules as they existed for tax year 2011 and as revised thereafter by the
3 internal revenue service.

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

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

13 Sec. 31. K.S.A. 2012 Supp. 79-32,138 is hereby amended to read as
14 follows: 79-32,138. (a) Kansas taxable income of a corporation taxable
15 under this act shall be the corporation's federal taxable income for the
16 taxable year with the modifications specified in this section.

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

21 (ii) The amount of all depreciation deductions claimed for any
22 property upon which the deduction allowed by K.S.A. 2012 Supp. 79-
23 32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-
24 32,255 or 79-32,256, and amendments thereto, is claimed.

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

28 ~~(iv) The amount of any charitable contribution deduction claimed for
29 any contribution or gift made to a school district or a public charter
30 school to the extent the same is claimed as the basis for the credit allowed
31 pursuant to section 28, and amendments thereto.~~

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

36 (ii) The federal income tax liability for any taxable year commencing
37 prior to December 31, 1971, for which a Kansas return was filed after
38 reduction for all credits thereon, except credits for payments on estimates
39 of federal income tax, credits for gasoline and lubricating oil tax, and for
40 foreign tax credits if, on the Kansas income tax return for such prior year,
41 the federal income tax deduction was computed on the basis of the federal
42 income tax paid in such prior year, rather than as accrued. Notwithstanding
43 the foregoing, the deduction for federal income tax liability for any year

(xxi) For all taxable years beginning after December 31, 2012, the amount of any contribution or gift made to a public charter school in accordance with section 24, and amendments thereto, to the extent the amount has not been claimed as a deduction by the taxpayer under the federal internal revenue code, and amendments thereto.

strike

4-10

1 shall not exceed that portion of the total federal income tax liability for
 2 such year which bears the same ratio to the total federal income tax
 3 liability for such year as the Kansas taxable income, as computed before
 4 any deductions for federal income taxes and after application of
 5 subsections (d) and (e) of this section as existing for such year, bears to the
 6 federal taxable income for the same year.

7 (iii) An amount for the amortization deduction allowed pursuant to
 8 K.S.A. 2012 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-
 9 32,249, 79-32,250, 79-32,255 or 79-32,256, and amendments thereto.

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

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

16 (d) If any corporation derives all of its income from sources within
 17 Kansas in any taxable year commencing after December 31, 1979, its
 18 Kansas taxable income shall be the sum resulting after application of
 19 subsections (a) through (c) hereof. Otherwise, such corporation's Kansas
 20 taxable income in any such taxable year, after excluding any refunds of
 21 federal income tax and before the deduction of federal income taxes
 22 provided by subsection (c)(ii) shall be allocated as provided in K.S.A. 79-
 23 3271 to K.S.A. 79-32293, inclusive, and amendments thereto, plus any
 24 refund of federal income tax as determined under paragraph (iv) of
 25 subsection (b) of K.S.A. 79-32,117, and amendments thereto, and minus
 26 the deduction for federal income taxes as provided by subsection (c)(ii)
 27 shall be such corporation's Kansas taxable income.

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

35 Sec. 32. K.S.A. 72-1903, 72-1904, 72-1908, 72-1909 and 72-1911
 36 and K.S.A. 2012 Supp. 72-1906, 72-1907, 72-1910, 72-6407, 79-32,117
 37 and 79-32,138 are hereby repealed.

38 Sec. 33. This act shall take effect and be in force from and after its
 39 publication in the statute book.

(vi) For all taxable years beginning after December 31, 2012, the amount of any contribution or gift made to a public charter school in accordance with section 24, and amendments thereto, to the extent the amount has not been claimed as a deduction by the taxpayer under the federal internal revenue code, and amendments thereto.

4-11

