

SENATE BILL No. 449

By Committee on Assessment and Taxation

3-19

1 AN ACT concerning savings programs; relating to beneficiaries of ABLE
2 accounts, transfers, qualified higher education expenses; income
3 taxation, deduction for contributions; amending K.S.A. 2017 Supp. 75-
4 655 and 79-32,117 and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2017 Supp. 75-655 is hereby amended to read as
8 follows: 75-655. (a) Any ABLE savings accounts established pursuant to
9 the provisions of this act shall be opened by a designated beneficiary or a
10 conservator or guardian of a designated beneficiary who lacks capacity to
11 enter into a contract and each beneficiary may have only one account. The
12 treasurer may establish a nonrefundable application fee. An application for
13 such account shall be in the form prescribed by the treasurer and contain
14 the:

15 (1) Name, address and social security number of the account owner;
16 (2) name, address and social security number of the designated
17 beneficiary, if the account owner is the beneficiary's conservator or
18 guardian;

19 (3) certification relating to no excess contributions; and
20 (4) additional information as the treasurer may require.

21 (b) Any person may make contributions to an ABLE savings account
22 after the account is opened, subject to the limitations imposed by section
23 529A of the federal internal revenue code of 1986, as amended, or any
24 rules and regulations promulgated by the secretary pursuant to this act.

25 (c) Contributions to ABLE savings accounts only may be made in
26 cash. The treasurer or program manager shall reject or promptly withdraw
27 contributions:

28 (1) In excess of the limits established pursuant to subsection (b); or
29 (2) the total contributions if the:

30 (A) Value of the account is equal to or greater than the account
31 maximum established by the treasurer. Such account maximum must be
32 equal to the account maximum for postsecondary education savings
33 accounts established pursuant to K.S.A. 75-640 et seq., and amendments
34 thereto; or

35 (B) designated beneficiary is not an eligible individual in the current
36 calendar year.

Senate Bill No. 449
Proposed Amendment
Medicaid clawback
House Committee on Taxation
Prepared by Scott Wells
Office of Revisor of Statutes

1 *proceeds, for benefits provided to a designated beneficiary*
2 Sec. 2. K.S.A. 2017 Supp. 79-32,117 is hereby amended to read as
3 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual
4 means such individual's federal adjusted gross income for the taxable year,
5 with the modifications specified in this section.

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

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

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

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

30 (iv) Federal income tax refunds received by the taxpayer if the
31 deduction of the taxes being refunded resulted in a tax benefit for Kansas
32 income tax purposes during a prior taxable year. Such refunds shall be
33 included in income in the year actually received regardless of the method
34 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall
35 be deemed to have resulted if the amount of the tax had been deducted in
36 determining income subject to a Kansas income tax for a prior year
37 regardless of the rate of taxation applied in such prior year to the Kansas
38 taxable income, but only that portion of the refund shall be included as
39 bears the same proportion to the total refund received as the federal taxes
40 deducted in the year to which such refund is attributable bears to the total
41 federal income taxes paid for such year. For purposes of the foregoing
42 sentence, federal taxes shall be considered to have been deducted only to
43 the extent such deduction does not reduce Kansas taxable income below

, unless otherwise required by section 1917(b)
of the federal social security act, 42 U.S.C.
1396p(b)