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MEMORANDUM

To: Madam Chair and Members of the Committee on Assessment and Taxation

From: Amelia Kovar-Donohue, Assistant Revisor

Date: March 12, 2019

Subject: Senate Bill No. 174

Summary

Senate Bill No. 174 relates to Kansas income tax and removes the income threshold for the subtraction modification for social security income beginning with tax year 2019, thereby exempting social security from Kansas income tax for all individual taxpayers regardless of their income.

Currently, K.S.A. 2018 Supp. 79-32,117(c)(xviii) allows the subtraction of amounts received as benefits under the federal social security act included in a taxpayer's federal adjusted gross income when determining Kansas adjusted gross income, if the taxpayer has a federal adjusted gross income of \$75,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly. If a taxpayer satisfies this income criteria, then Kansas income tax is not imposed on their social security income. Senate Bill No. 174 amends this subtraction provision beginning with tax year 2019 to remove the income threshold. As a result, the subtraction modification would apply to all individual taxpayers regardless of their income. See page 8.