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MEMORANDUM

To: Madam Chair and Members of the Committee on Assessment and Taxation
From: Amelia Kovar-Donohue, Assistant Revisor
Date: February 20, 2020
Subject: Senate Bill No. 196

Summary

Senate Bill No. 196 relates to income taxation and the expense deduction for certain depreciable property. Currently, the deduction allowed by K.S.A. 2018 Supp. 79-32,143a, which is an expense deduction for the cost of certain qualifying tangible property and computer software, is only available to taxpayers subject to the income tax on corporations pursuant to K.S.A. 79-32,110(c) or the privilege tax on national banking associations, state banks, savings banks, trust companies or savings and loan associations. The bill amends K.S.A. 2018 Supp. 79-32,143a to make the deduction available to all taxpayers subject to state income tax or privilege tax for tax year 2019, and all tax years thereafter. In addition, in determining the amount of the expense deduction, the bill would require the depreciable cost of such property for federal income tax purposes to be offset also by the amount of the expensing deduction being claimed for such property pursuant to Section 179 of the Internal Revenue Code beginning with tax year 2019.

The bill would take effect from and after its publication in the statute book.