

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

---

300 SW TENTH AVENUE ▪ SUITE 24-E ▪ TOPEKA, KS 66612 ▪ (785) 296-2321

---

**MEMORANDUM**

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

From: Adam Siebers, Assistant Revisor

Date: January 13, 2021

Subject: Senate Bill No. 22

**Summary**

Senate Bill No. 22 provides for several income tax changes. These include several modifications for determining Kansas income, the election for Kansas itemized deductions, expanding the eligibility for the expensing deduction and amending the calculation thereof, exemption of unemployment compensation income as a result of identity fraud, and increasing the net operating loss for corporations.

**Section 1**

Fraudulently obtained unemployment compensation as a result of the individual's identification theft would not be included for income tax purposes for income allocated to that person.

**Sections 2 and 4**

Provide for several modifications for determining Kansas income. These modifications include modifications for global intangible low-taxed income, business interest, capital contributions, FDIC premiums, business meal expenditures, Payment Protection Program loans and corresponding expenses. The modification will apply for tax year 2020 and thereafter.

**Section 3**

Individuals who take the federal standard deduction would be able to elect to either itemize or take the standard deduction for Kansas income tax purposes. The provision would apply for tax year 2021 and thereafter.

**Section 5**

Allows corporations for 2018 through 2020 to use the federal net operating loss calculation when determining a carry forward or carry back of its net operating loss.

**Section 6**

Amends how the expensing deduction is calculated by including section 179 property deductions rather than excluding from the calculation. Additionally, the expensing deduction will be available to taxpayers subject to income tax in addition to the corporate and privilege tax taxpayers.