

**HOUSE BILL No. 2109**

By Committee on Taxation

1-19

1 AN ACT concerning income taxation; relating to the determination of  
2 Kansas adjusted gross income; increasing the income limit to qualify  
3 for a subtraction modification for social security income; amending  
4 K.S.A. 2022 Supp. 79-32,117 and repealing the existing section.  
5

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

7 Section 1. K.S.A. 2022 Supp. 79-32,117 is hereby amended to read as  
8 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual  
9 means such individual's federal adjusted gross income for the taxable year,  
10 with the modifications specified in this section.

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

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

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

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

35 (iv) Federal income tax refunds received by the taxpayer if the  
36 deduction of the taxes being refunded resulted in a tax benefit for Kansas

Proposed Amendments  
2023 House Bill No. 2109  
Prepared by: Office of Revisor of Statutes  
Social Security

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

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

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

27 (B) For all taxable years beginning after December 31, 2022, a  
 28 portion of amounts received as benefits under the federal social security  
 29 act that are included in federal adjusted gross income of a taxpayer with  
 30 federal adjusted gross income greater than \$75,000 and less than  
 31 \$100,000, whether that taxpayer's filing status is single, head of  
 32 household, married filing separate or married filing jointly, calculated as  
 33 follows:

34 (1) Subtract an amount equal to the federal adjusted gross income of  
 35 that taxpayer from 100,000 (the result must be greater than zero);

36 (2) divide the result of subparagraph (B)(1) by 25,000; and  
 37 (3) multiply the result of subparagraph (B)(2) by the amount in  
 38 dollars received as benefits under the federal social security act that are  
 39 included in federal adjusted gross income of that taxpayer to determine

40 the modification pursuant to this subparagraph. \_\_\_\_\_  
 41 (xix) Amounts received by retired employees of Washburn university  
 42 as retirement and pension benefits under the university's retirement plan.  
 43 (xx) For taxable years beginning after December 31, 2012, and

and ending before January 1, 2026,

(B) For the taxable year beginning after December 31, 2022, and ending before January 1, 2024, a portion of amounts received as benefits under the federal social security act that are included in federal adjusted gross income of a taxpayer with federal adjusted gross income greater than \$75,000 and less than \$125,000, whether that taxpayer's filing status is single, head of household, married filing separate or married filing jointly, calculated as follows:

(1) Subtract an amount equal to the federal adjusted gross income of that taxpayer from 125,000 (the result must be greater than zero);  
 (2) divide the result of subparagraph (B)(1) by 50,000; and  
 (3) multiply the result of subparagraph (B)(2) by the amount in dollars received as benefits under the federal social security act that are included in federal adjusted gross income of that taxpayer to determine the modification pursuant to this subparagraph.

(C) For the taxable year beginning after December 31, 2023, and ending before January 1, 2025, a portion of amounts received as benefits under the federal social security act that are included in federal adjusted gross income of a taxpayer with federal adjusted gross income greater than \$75,000 and less than \$175,000, whether that taxpayer's filing status is single, head of household, married filing separate or married filing jointly, calculated as follows:

(1) Subtract an amount equal to the federal adjusted gross income of that taxpayer from 175,000 (the result must be greater than zero);  
 (2) divide the result of subparagraph (B)(1) by 100,000; and  
 (3) multiply the result of subparagraph (B)(2) by the amount in dollars received as benefits under the federal social security act that are included in federal adjusted gross income of that taxpayer to determine the modification pursuant to this subparagraph.

(D) For the taxable year beginning after December 31, 2024, and ending before January 1, 2026, a portion of amounts received as benefits under the federal social security act that are included in federal adjusted gross income of a taxpayer with federal adjusted gross income greater than \$75,000 and less than \$275,000, whether that taxpayer's filing status is single, head of household, married filing separate or married filing jointly, calculated as follows:

(1) Subtract an amount equal to the federal adjusted gross income of that taxpayer from 275,000 (the result must be greater than zero);  
 (2) divide the result of subparagraph (B)(1) by 200,000; and  
 (3) multiply the result of subparagraph (B)(2) by the amount in dollars received as benefits under the federal social security act that are included in federal adjusted gross income of that taxpayer to determine the modification pursuant to this subparagraph.

(E) for all taxable years beginning after December 31, 2025, amounts received as benefits under the federal social security act that are included in federal adjusted gross income of a taxpayer