

**SENATE BILL No. 40**

By Committee on Assessment and Taxation

1-17

1 AN ACT concerning income taxation; relating to Kansas adjusted gross  
2 income; providing a subtraction modification to permit the  
3 carryforward of certain net operating losses for individuals; 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

1 income tax purposes during a prior taxable year. Such refunds shall be  
2 included in income in the year actually received regardless of the method  
3 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall  
4 be deemed to have resulted if the amount of the tax had been deducted in  
5 determining income subject to a Kansas income tax for a prior year  
6 regardless of the rate of taxation applied in such prior year to the Kansas  
7 taxable income, but only that portion of the refund shall be included as  
8 bears the same proportion to the total refund received as the federal taxes  
9 deducted in the year to which such refund is attributable bears to the total  
10 federal income taxes paid for such year. For purposes of the foregoing  
11 sentence, federal taxes shall be considered to have been deducted only to  
12 the extent such deduction does not reduce Kansas taxable income below  
13 zero.

14 (v) The amount of any depreciation deduction or business expense  
15 deduction claimed on the taxpayer's federal income tax return for any  
16 capital expenditure in making any building or facility accessible to the  
17 handicapped, for which expenditure the taxpayer claimed the credit  
18 allowed by K.S.A. 79-32,177, and amendments thereto.

19 (vi) Any amount of designated employee contributions picked up by  
20 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,  
21 and amendments thereto.

22 (vii) The amount of any charitable contribution made to the extent the  
23 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-  
24 32,196, and amendments thereto.

25 (viii) The amount of any costs incurred for improvements to a swine  
26 facility, claimed for deduction in determining federal adjusted gross  
27 income, to the extent the same is claimed as the basis for any credit  
28 allowed pursuant to K.S.A. 79-32,204, and amendments thereto.

29 (ix) The amount of any ad valorem taxes and assessments paid and  
30 the amount of any costs incurred for habitat management or construction  
31 and maintenance of improvements on real property, claimed for deduction  
32 in determining federal adjusted gross income, to the extent the same is  
33 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,  
34 and amendments thereto.

35 (x) Amounts received as nonqualified withdrawals, as defined by  
36 K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a  
37 family postsecondary education savings account, such amounts were  
38 subtracted from the federal adjusted gross income pursuant to K.S.A. 79-  
39 32,117(c)(xv), and amendments thereto, or if such amounts are not already  
40 included in the federal adjusted gross income.

41 (xi) The amount of any contribution made to the same extent the  
42 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-  
43 50,154, and amendments thereto.

1 (xii) For taxable years commencing after December 31, 2004,  
2 amounts received as withdrawals not in accordance with the provisions of  
3 K.S.A. 74-50,204, and amendments thereto, if, at the time of contribution  
4 to an individual development account, such amounts were subtracted from  
5 the federal adjusted gross income pursuant to subsection (c)(xiii), or if  
6 such amounts are not already included in the federal adjusted gross  
7 income.

8 (xiii) The amount of any expenditures claimed for deduction in  
9 determining federal adjusted gross income, to the extent the same is  
10 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,217  
11 through 79-32,220 or 79-32,222, and amendments thereto.

12 (xiv) The amount of any amortization deduction claimed in  
13 determining federal adjusted gross income to the extent the same is  
14 claimed for deduction pursuant to K.S.A. 79-32,221, and amendments  
15 thereto.

16 (xv) The amount of any expenditures claimed for deduction in  
17 determining federal adjusted gross income, to the extent the same is  
18 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223  
19 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-  
20 32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-  
21 32,251 through 79-32,254, and amendments thereto.

22 (xvi) The amount of any amortization deduction claimed in  
23 determining federal adjusted gross income to the extent the same is  
24 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-  
25 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

26 (xvii) The amount of any amortization deduction claimed in  
27 determining federal adjusted gross income to the extent the same is  
28 claimed for deduction pursuant to K.S.A. 79-32,256, and amendments  
29 thereto.

30 (xviii) For taxable years commencing after December 31, 2006, the  
31 amount of any ad valorem or property taxes and assessments paid to a state  
32 other than Kansas or local government located in a state other than Kansas  
33 by a taxpayer who resides in a state other than Kansas, when the law of  
34 such state does not allow a resident of Kansas who earns income in such  
35 other state to claim a deduction for ad valorem or property taxes or  
36 assessments paid to a political subdivision of the state of Kansas in  
37 determining taxable income for income tax purposes in such other state, to  
38 the extent that such taxes and assessments are claimed as an itemized  
39 deduction for federal income tax purposes.

40 (xix) For taxable years beginning after December 31, 2012, and  
41 ending before January 1, 2017, the amount of any: (1) Loss from business  
42 as determined under the federal internal revenue code and reported from  
43 schedule C and on line 12 of the taxpayer's form 1040 federal individual

1 income tax return; (2) loss from rental real estate, royalties, partnerships, S  
2 corporations, except those with wholly owned subsidiaries subject to the  
3 Kansas privilege tax, estates, trusts, residual interest in real estate  
4 mortgage investment conduits and net farm rental as determined under the  
5 federal internal revenue code and reported from schedule E and on line 17  
6 of the taxpayer's form 1040 federal individual income tax return; and (3)  
7 farm loss as determined under the federal internal revenue code and  
8 reported from schedule F and on line 18 of the taxpayer's form 1040  
9 federal income tax return; all to the extent deducted or subtracted in  
10 determining the taxpayer's federal adjusted gross income. For purposes of  
11 this subsection, references to the federal form 1040 and federal schedule  
12 C, schedule E, and schedule F, shall be to such form and schedules as they  
13 existed for tax year 2011, and as revised thereafter by the internal revenue  
14 service.

15 (xx) For taxable years beginning after December 31, 2012, and  
16 ending before January 1, 2017, the amount of any deduction for self-  
17 employment taxes under section 164(f) of the federal internal revenue  
18 code as in effect on January 1, 2012, and amendments thereto, in  
19 determining the federal adjusted gross income of an individual taxpayer, to  
20 the extent the deduction is attributable to income reported on schedule C,  
21 E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income  
22 tax return.

23 (xxi) For taxable years beginning after December 31, 2012, and  
24 ending before January 1, 2017, the amount of any deduction for pension,  
25 profit sharing, and annuity plans of self-employed individuals under  
26 section 62(a)(6) of the federal internal revenue code as in effect on January  
27 1, 2012, and amendments thereto, in determining the federal adjusted gross  
28 income of an individual taxpayer.

29 (xxii) For taxable years beginning after December 31, 2012, and  
30 ending before January 1, 2017, the amount of any deduction for health  
31 insurance under section 162(l) of the federal internal revenue code as in  
32 effect on January 1, 2012, and amendments thereto, in determining the  
33 federal adjusted gross income of an individual taxpayer.

34 (xxiii) For taxable years beginning after December 31, 2012, and  
35 ending before January 1, 2017, the amount of any deduction for domestic  
36 production activities under section 199 of the federal internal revenue code  
37 as in effect on January 1, 2012, and amendments thereto, in determining  
38 the federal adjusted gross income of an individual taxpayer.

39 (xxiv) For taxable years commencing after December 31, 2013, that  
40 portion of the amount of any expenditure deduction claimed in  
41 determining federal adjusted gross income for expenses paid for medical  
42 care of the taxpayer or the taxpayer's spouse or dependents when such  
43 expenses were paid or incurred for an abortion, or for a health benefit plan,

1 as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of  
2 an optional rider for coverage of abortion in accordance with K.S.A. 40-  
3 2,190, and amendments thereto, to the extent that such taxes and  
4 assessments are claimed as an itemized deduction for federal income tax  
5 purposes.

6 (xxv) For taxable years commencing after December 31, 2013, that  
7 portion of the amount of any expenditure deduction claimed in  
8 determining federal adjusted gross income for expenses paid by a taxpayer  
9 for health care when such expenses were paid or incurred for abortion  
10 coverage, a health benefit plan, as defined in K.S.A. 65-6731, and  
11 amendments thereto, when such expenses were paid or incurred for  
12 abortion coverage or amounts contributed to health savings accounts for  
13 such taxpayer's employees for the purchase of an optional rider for  
14 coverage of abortion in accordance with K.S.A. 40-2,190, and  
15 amendments thereto, to the extent that such taxes and assessments are  
16 claimed as a deduction for federal income tax purposes.

17 (xxvi) For all taxable years beginning after December 31, 2016, the  
18 amount of any charitable contribution made to the extent the same is  
19 claimed as the basis for the credit allowed pursuant to K.S.A. 72-4357, and  
20 amendments thereto, and is also claimed as an itemized deduction for  
21 federal income tax purposes.

22 (xxvii) For all taxable years commencing after December 31, 2020,  
23 the amount deducted by reason of a carryforward of disallowed business  
24 interest pursuant to section 163(j) of the federal internal revenue code of  
25 1986, as in effect on January 1, 2018.

26 (xxviii) For all taxable years beginning after December 31, 2021, the  
27 amount of any contributions to, or earnings from, a first-time home buyer  
28 savings account if distributions from the account were not used to pay for  
29 expenses or transactions authorized pursuant to K.S.A. 2022 Supp. 58-  
30 4904, and amendments thereto, or were not held for the minimum length  
31 of time required pursuant to K.S.A. 2022 Supp. 58-4904, and amendments  
32 thereto. Contributions to, or earnings from, such account shall also include  
33 any amount resulting from the account holder not designating a surviving  
34 transfer on death beneficiary pursuant to K.S.A. 2022 Supp. 58-4904(e),  
35 and amendments thereto.

36 (c) There shall be subtracted from federal adjusted gross income:

37 (i) Interest or dividend income on obligations or securities of any  
38 authority, commission or instrumentality of the United States and its  
39 possessions less any related expenses directly incurred in the purchase of  
40 such obligations or securities, to the extent included in federal adjusted  
41 gross income but exempt from state income taxes under the laws of the  
42 United States.

43 (ii) Any amounts received which are included in federal adjusted

1 gross income but which are specifically exempt from Kansas income  
2 taxation under the laws of the state of Kansas.

3 (iii) The portion of any gain or loss from the sale or other disposition  
4 of property having a higher adjusted basis for Kansas income tax purposes  
5 than for federal income tax purposes on the date such property was sold or  
6 disposed of in a transaction in which gain or loss was recognized for  
7 purposes of federal income tax that does not exceed such difference in  
8 basis, but if a gain is considered a long-term capital gain for federal  
9 income tax purposes, the modification shall be limited to that portion of  
10 such gain which is included in federal adjusted gross income.

11 (iv) The amount necessary to prevent the taxation under this act of  
12 any annuity or other amount of income or gain which was properly  
13 included in income or gain and was taxed under the laws of this state for a  
14 taxable year prior to the effective date of this act, as amended, to the  
15 taxpayer, or to a decedent by reason of whose death the taxpayer acquired  
16 the right to receive the income or gain, or to a trust or estate from which  
17 the taxpayer received the income or gain.

18 (v) The amount of any refund or credit for overpayment of taxes on  
19 or measured by income or fees or payments in lieu of income taxes  
20 imposed by this state, or any taxing jurisdiction, to the extent included in  
21 gross income for federal income tax purposes.

22 (vi) Accumulation distributions received by a taxpayer as a  
23 beneficiary of a trust to the extent that the same are included in federal  
24 adjusted gross income.

25 (vii) Amounts received as annuities under the federal civil service  
26 retirement system from the civil service retirement and disability fund and  
27 other amounts received as retirement benefits in whatever form which  
28 were earned for being employed by the federal government or for service  
29 in the armed forces of the United States.

30 (viii) Amounts received by retired railroad employees as a  
31 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and  
32 228c(a)(1) et seq.

33 (ix) Amounts received by retired employees of a city and by retired  
34 employees of any board of such city as retirement allowances pursuant to  
35 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter  
36 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and  
37 amendments thereto.

38 (x) For taxable years beginning after December 31, 1976, the amount  
39 of the federal tentative jobs tax credit disallowance under the provisions of  
40 26 U.S.C. § 280C. For taxable years ending after December 31, 1978, the  
41 amount of the targeted jobs tax credit and work incentive credit  
42 disallowances under 26 U.S.C. § 280C.

43 (xi) For taxable years beginning after December 31, 1986, dividend

1 income on stock issued by Kansas venture capital, inc.

2 (xii) For taxable years beginning after December 31, 1989, amounts  
3 received by retired employees of a board of public utilities as pension and  
4 retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249,  
5 and amendments thereto.

6 (xiii) For taxable years beginning after December 31, 2004, amounts  
7 contributed to and the amount of income earned on contributions deposited  
8 to an individual development account under K.S.A. 74-50,201 et seq., and  
9 amendments thereto.

10 (xiv) For all taxable years commencing after December 31, 1996, that  
11 portion of any income of a bank organized under the laws of this state or  
12 any other state, a national banking association organized under the laws of  
13 the United States, an association organized under the savings and loan  
14 code of this state or any other state, or a federal savings association  
15 organized under the laws of the United States, for which an election as an  
16 S corporation under subchapter S of the federal internal revenue code is in  
17 effect, which accrues to the taxpayer who is a stockholder of such  
18 corporation and which is not distributed to the stockholders as dividends of  
19 the corporation. For taxable years beginning after December 31, 2012, and  
20 ending before January 1, 2017, the amount of modification under this  
21 subsection shall exclude the portion of income or loss reported on schedule  
22 E and included on line 17 of the taxpayer's form 1040 federal individual  
23 income tax return.

24 (xv) For all taxable years beginning after December 31, 2017, the  
25 cumulative amounts not exceeding \$3,000, or \$6,000 for a married couple  
26 filing a joint return, for each designated beneficiary that are contributed to:  
27 (1) A family postsecondary education savings account established under  
28 the Kansas postsecondary education savings program or a qualified tuition  
29 program established and maintained by another state or agency or  
30 instrumentality thereof pursuant to section 529 of the internal revenue  
31 code of 1986, as amended, for the purpose of paying the qualified higher  
32 education expenses of a designated beneficiary; or (2) an achieving a  
33 better life experience (ABLE) account established under the Kansas ABLE  
34 savings program or a qualified ABLE program established and maintained  
35 by another state or agency or instrumentality thereof pursuant to section  
36 529A of the internal revenue code of 1986, as amended, for the purpose of  
37 saving private funds to support an individual with a disability. The terms  
38 and phrases used in this paragraph shall have the meaning respectively  
39 ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and  
40 amendments thereto, and the provisions of such sections are hereby  
41 incorporated by reference for all purposes thereof.

42 (xvi) For all taxable years beginning after December 31, 2004,  
43 amounts received by taxpayers who are or were members of the armed

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 for all taxable years beginning after December 31, 2007,  
22 amounts received as benefits under the federal social security act which  
23 are included in federal adjusted gross income of a taxpayer with federal  
24 adjusted gross income of \$75,000 or less, whether such taxpayer's filing  
25 status is single, head of household, married filing separate or married filing  
26 jointly.

27 (xix) Amounts received by retired employees of Washburn university  
28 as retirement and pension benefits under the university's retirement plan.

29 (xx) For taxable years beginning after December 31, 2012, and  
30 ending before January 1, 2017, the amount of any: (1) Net profit from  
31 business as determined under the federal internal revenue code and  
32 reported from schedule C and on line 12 of the taxpayer's form 1040  
33 federal individual income tax return; (2) net income, not including  
34 guaranteed payments as defined in section 707(c) of the federal internal  
35 revenue code and as reported to the taxpayer from federal schedule K-1,  
36 (form 1065-B), in box 9, code F or as reported to the taxpayer from federal  
37 schedule K-1, (form 1065) in box 4, from rental real estate, royalties,  
38 partnerships, S corporations, estates, trusts, residual interest in real estate  
39 mortgage investment conduits and net farm rental as determined under the  
40 federal internal revenue code and reported from schedule E and on line 17  
41 of the taxpayer's form 1040 federal individual income tax return; and (3)  
42 net farm profit as determined under the federal internal revenue code and  
43 reported from schedule F and on line 18 of the taxpayer's form 1040



1 federal income tax return; all to the extent included in the taxpayer's  
2 federal adjusted gross income. For purposes of this subsection, references  
3 to the federal form 1040 and federal schedule C, schedule E, and schedule  
4 F, shall be to such form and schedules as they existed for tax year 2011  
5 and as revised thereafter by the internal revenue service.

6 (xxi) For all taxable years beginning after December 31, 2013,  
7 amounts equal to the unreimbursed travel, lodging and medical  
8 expenditures directly incurred by a taxpayer while living, or a dependent  
9 of the taxpayer while living, for the donation of one or more human organs  
10 of the taxpayer, or a dependent of the taxpayer, to another person for  
11 human organ transplantation. The expenses may be claimed as a  
12 subtraction modification provided for in this section to the extent the  
13 expenses are not already subtracted from the taxpayer's federal adjusted  
14 gross income. In no circumstances shall the subtraction modification  
15 provided for in this section for any individual, or a dependent, exceed  
16 \$5,000. As used in this section, "human organ" means all or part of a liver,  
17 pancreas, kidney, intestine, lung or bone marrow. The provisions of this  
18 paragraph shall take effect on the day the secretary of revenue certifies to  
19 the director of the budget that the cost for the department of revenue of  
20 modifications to the automated tax system for the purpose of  
21 implementing this paragraph will not exceed \$20,000.

22 (xxii) For taxable years beginning after December 31, 2012, and  
23 ending before January 1, 2017, the amount of net gain from the sale of: (1)  
24 Cattle and horses, regardless of age, held by the taxpayer for draft,  
25 breeding, dairy or sporting purposes, and held by such taxpayer for 24  
26 months or more from the date of acquisition; and (2) other livestock,  
27 regardless of age, held by the taxpayer for draft, breeding, dairy or  
28 sporting purposes, and held by such taxpayer for 12 months or more from  
29 the date of acquisition. The subtraction from federal adjusted gross income  
30 shall be limited to the amount of the additions recognized under the  
31 provisions of subsection (b)(xix) attributable to the business in which the  
32 livestock sold had been used. As used in this paragraph, the term  
33 "livestock" shall not include poultry.

34 (xxiii) For all taxable years beginning after December 31, 2012,  
35 amounts received under either the Overland Park, Kansas police  
36 department retirement plan or the Overland Park, Kansas fire department  
37 retirement plan, both as established by the city of Overland Park, pursuant  
38 to the city's home rule authority.

39 (xxiv) For taxable years beginning after December 31, 2013, and  
40 ending before January 1, 2017, the net gain from the sale from Christmas  
41 trees grown in Kansas and held by the taxpayer for six years or more.

42 (xxv) For all taxable years commencing after December 31, 2020,  
43 100% of global intangible low-taxed income under section 951A of the

1 federal internal revenue code of 1986, before any deductions allowed  
2 under section 250(a)(1)(B) of such code.

3 (xxvi) For all taxable years commencing after December 31, 2020,  
4 the amount disallowed as a deduction pursuant to section 163(j) of the  
5 federal internal revenue code of 1986, as in effect on January 1, 2018.

6 (xxvii) For taxable years commencing after December 31, 2020, the  
7 amount disallowed as a deduction pursuant to section 274 of the federal  
8 internal revenue code of 1986 for meal expenditures shall be allowed to  
9 the extent such expense was deductible for determining federal income tax  
10 and was allowed and in effect on December 31, 2017.

11 (xxviii) For all taxable years beginning after December 31, 2021: (1)  
12 The amount contributed to a first-time home buyer savings account  
13 pursuant to K.S.A. 2022 Supp. 58-4903, and amendments thereto, in an  
14 amount not to exceed \$3,000 for an individual or \$6,000 for a married  
15 couple filing a joint return; or (2) amounts received as income earned from  
16 assets in a first-time home buyer savings account.

17 *(xxix) For taxable years beginning after December 31, 2017, for an*  
18 *individual taxpayer who carried back federal net operating losses arising*  
19 *in a taxable year beginning after December 31, 2017, and before January*  
20 *1, 2021, pursuant to section 172(b)(1) of the federal internal revenue code*  
21 *as amended by the coronavirus aid, relief, and economic security act*  
22 *(CARES act), the amount of such federal net operating loss carryback for*  
23 *each applicable year. If the amount of such federal net operating loss*  
24 *carryback exceeds the taxpayer's Kansas adjusted gross income for such*  
25 *taxable year, the amount thereof that exceeds such Kansas adjusted gross*  
26 *income may be carried forward as a subtraction modification in the*  
27 *following taxable year or years until the total amount of such federal net*  
28 *operating loss carryback has been deducted, except that no such unused*  
29 *amount shall be carried forward for deduction as a subtraction*  
30 *modification after the 20<sup>th</sup> taxable year following the taxable year of the*  
31 *net operating loss. Notwithstanding any other provision of law to the*  
32 *contrary, an extension of time shall be allowed for a claim for refund or*  
33 *amended return for tax years 2018, 2019 or 2020 limited to the*  
34 *application of the provisions of this paragraph and such claim for refund*  
35 *or amended return must be filed on or before April 15, 2025.*

36 (d) There shall be added to or subtracted from federal adjusted gross  
37 income the taxpayer's share, as beneficiary of an estate or trust, of the  
38 Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and  
39 amendments thereto.

40 (e) The amount of modifications required to be made under this  
41 section by a partner which relates to items of income, gain, loss, deduction  
42 or credit of a partnership shall be determined under K.S.A. 79-32,131, and  
43 amendments thereto, to the extent that such items affect federal adjusted

1 gross income of the partner.

2 (f) No taxpayer shall be assessed penalties and interest from the  
3 underpayment of taxes due to changes to this section that became law on  
4 July 1, 2017, so long as such underpayment is rectified on or before April  
5 17, 2018.

6 Sec. 2. K.S.A. 2022 Supp. 79-32,117 is hereby repealed.

7 Sec. 3. This act shall take effect and be in force from and after its  
8 publication in the statute book.