

SENATE BILL No. 2

By Senators Holland and Francisco

6-18

1 AN ACT concerning taxation; relating to income taxation; eliminating the
2 income limit to qualify for the subtraction modification exempting
3 social security benefits; increasing the tax credit amount for household
4 and dependent care expenses; establishing the veterans' valor property
5 tax relief act; providing for an income tax credit or refund for eligible
6 individuals; citing the increased property tax homestead refund claim
7 section as the homeowners' property tax freeze program; relating to
8 privilege tax; decreasing the normal tax rate; relating to property tax;
9 increasing the extent of exemption for residential property from the
10 statewide school levy; decreasing the rate of ad valorem tax imposed by
11 a school district; providing for certain transfers to the state school
12 district finance fund; relating to sales and compensating use tax;
13 reducing the state rate of tax on sales of food and food ingredients;
14 modifying the percent credited to the state highway fund from revenue
15 collected; amending K.S.A. 79-5a27, 79-1107, 79-1108 and 79-32,111c
16 and K.S.A. 2023 Supp. 72-5142, 79-201x, 79-2988, as amended by
17 section 15 of 2024 Senate Bill No. 410, 79-32,117, as amended by
18 section 14 of 2023 Senate Bill No. 27, 79-3603, 79-3603d, 79-3620,
19 79-3703, 79-3710 and 79-4508a and repealing the existing sections.

20
21 *Be it enacted by the Legislature of the State of Kansas:*

22 New Section 1. (a) This act shall be known and may be cited as the
23 veterans' valor property tax relief act.

24 (b) There shall be allowed as a credit against the tax liability of a
25 taxpayer imposed under the Kansas income tax act for tax year 2024, and
26 all tax years thereafter, in an amount equal to 75% of the amount of
27 property and ad valorem taxes actually and timely paid by a taxpayer who
28 has been deemed to be permanently and totally disabled or unemployable
29 pursuant to 38 C.F.R. § 3.340 if such taxes were paid upon real or personal
30 property used for residential purposes of such taxpayer that is the
31 taxpayer's principal place of residence for the tax year in which the tax
32 credit is claimed.

33 (c) The amount of any such credit for any such taxpayer shall not
34 exceed the amount of property and ad valorem taxes paid by such taxpayer
35 as specified in this section. A taxpayer shall not take the credit pursuant to
36 this section if such taxpayer has received a homestead property tax refund

1 pursuant to K.S.A. 79-4501 et seq., and amendments thereto, or a credit
2 pursuant to the selective assistance for effective senior relief pursuant to
3 K.S.A. 79-32,263, and amendments thereto, for such property for such tax
4 year.

5 (d) Subject to the provisions of this section, if the amount of such tax
6 credit exceeds the taxpayer's income tax liability for the taxable year, the
7 amount of such excess credit that exceeds such tax liability shall be
8 refunded to the taxpayer.

9 (e) The secretary of revenue shall adopt rules and regulations
10 regarding the filing of documents that support the amount of the credit
11 claimed pursuant to this section.

12 (f) The provisions of this act shall be a part of and supplemental to
13 the homestead property tax refund act, except that the income or appraised
14 valuation limits set forth in the homestead property tax refund act shall not
15 apply to this section.

16 New Sec. 2. On August 15, 2024, and each August 15 thereafter, the
17 director of the budget, in consultation with the director of property
18 valuation, shall certify to the director of accounts and reports if the tax
19 levied pursuant to K.S.A. 72-5142, and amendments thereto, is decreased
20 from 20 mills or the exemption provided by K.S.A. 79-201x, and
21 amendments thereto, is increased from \$42,049 for any tax year. The
22 director of the budget shall certify to the director of accounts and reports
23 and shall transfer a copy of such certification to the director of legislative
24 research, the amount of revenue that the decrease in property tax would
25 have generated for the tax year if such tax was levied pursuant to K.S.A.
26 72-5142, and amendments thereto, at the rate of 20 mills and the difference
27 in the amount of revenue that the increase in the exemption provided by
28 K.S.A. 79-201x, and amendments thereto, would have generated for the
29 tax year if the exemption amount was \$42,049. Upon receipt of such
30 certification, or as soon thereafter as moneys are available, the director of
31 accounts and reports shall transfer such certified amount from the state
32 general fund to the state school district finance fund of the department of
33 education.

34 Sec. 3. K.S.A. 2023 Supp. 72-5142 is hereby amended to read as
35 follows: 72-5142. (a) The board of education of each school district shall
36 levy an ad valorem tax upon the taxable tangible property of the school
37 district in the school years specified in subsection (b) for the purpose of:

38 (1) Financing that portion of the school district's general fund budget
39 that is not financed from any other source provided by law;

40 (2) paying a portion of the costs of operating and maintaining public
41 schools in partial fulfillment of the constitutional obligation of the
42 legislature to finance the educational interests of the state; and

43 (3) with respect to any redevelopment school district established prior

1 to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto,
2 paying a portion of the principal and interest on bonds issued by cities
3 under authority of K.S.A. 12-1774, and amendments thereto, for the
4 financing of redevelopment projects upon property located within the
5 school district.

6 (b) The tax required under subsection (a) shall be levied at a rate of
7 ~~20~~ 18 mills in the school years ~~2023-2024~~ and 2024-2025 and 2025-2026.

8 (c) The proceeds from the tax levied by a district under authority of
9 this section, except the proceeds of such tax levied for the purpose
10 described in subsection (a)(3), shall be remitted to the state treasurer in
11 accordance with the provisions of K.S.A. 75-4215, and amendments
12 thereto. Upon receipt of each such remittance, the state treasurer shall
13 deposit the entire amount in the state treasury to the credit of the state
14 school district finance fund.

15 (d) No school district shall proceed under K.S.A. 79-1964, 79-1964a
16 or 79-1964b, and amendments thereto.

17 Sec. 4. K.S.A. 2023 Supp. 79-201x is hereby amended to read as
18 follows: 79-201x. ~~(a)~~ For taxable year ~~2022~~ 2024, and all taxable years
19 thereafter, the following described property, to the extent herein specified,
20 shall be and is hereby exempt from the property tax levied pursuant to the
21 provisions of K.S.A. 72-5142, and amendments thereto: Property used for
22 residential purposes to the extent of ~~\$40,000~~ \$125,000 of its appraised
23 valuation.

24 ~~(b) For taxable year 2023, and all taxable years thereafter, the dollar~~
25 ~~amount of the extent of appraised valuation that is exempt pursuant to~~
26 ~~subsection (a) shall be adjusted to reflect the average percentage change in~~
27 ~~statewide residential valuation of all residential real property for the~~
28 ~~preceding 10 years. Such average percentage change shall not be less than~~
29 ~~zero. The director of property valuation shall calculate the average~~
30 ~~percentage change for purposes of this annual adjustment and calculate the~~
31 ~~dollar amount of the extent of appraised valuation that is exempt pursuant~~
32 ~~to this section each year.~~

33 Sec. 5. K.S.A. 79-5a27 is hereby amended to read as follows: 79-
34 5a27. On or before June 1 each year, the director of property valuation
35 shall certify to the county clerk of each county the amount of assessed
36 valuation apportioned to each taxing unit therein for properties valued and
37 assessed under K.S.A. 79-5a01 et seq., and amendments thereto. The
38 county clerk shall include such assessed valuations in the applicable taxing
39 districts with all other assessed valuations in those taxing districts and on
40 or before June 15 notify the appropriate officials of each taxing district
41 within the county of the assessed valuation estimates to be utilized in the
42 preparation of budgets for ad valorem tax purposes, *except that for tax*
43 *year 2024, the deadline shall be extended to July 1, 2024.* If in any year

1 the county clerk has not received the applicable valuations from the
2 director of property valuation, the county clerk shall use the applicable
3 assessed valuations of the preceding year as an estimate for such
4 notification. If the public utility has filed an application for exemption of
5 all or a portion of its property, the director shall notify the county clerk that
6 the exemption application has been filed and the county clerk shall not be
7 required to include such assessed valuation in the applicable taxing
8 districts until such time as the application is denied by the state board of
9 tax appeals or, if judicial review of the board's order is sought, until such
10 time as judicial review is finalized.

11 Sec. 6. K.S.A. 79-1107 is hereby amended to read as follows: 79-
12 1107. (a) Every national banking association and state bank located or
13 doing business within the state shall pay to the state for the privilege of
14 doing business within the state a tax according to or measured by its net
15 income for the next preceding taxable year to be computed as provided in
16 this act. Such tax shall consist of a normal tax and a surtax and shall be
17 computed as follows:

18 ~~(a)~~(1) *For tax year 2024, and all tax years thereafter*, the normal tax
19 shall be an amount equal to ~~2⁺/₄%~~ 1.94% of such net income; and

20 ~~(b)~~(2) the surtax shall be an amount equal to ~~2⁺/₈%~~ 2.125% of such
21 net income in excess of \$25,000.

22 (b) The tax levied shall be in lieu of ad valorem taxes which might
23 otherwise be imposed by the state or political subdivisions thereof upon
24 shares of capital stock or the intangible assets of national banking
25 associations and state banks.

26 Sec. 7. K.S.A. 79-1108 is hereby amended to read as follows: 79-
27 1108. (a) Every trust company and savings and loan association located or
28 doing business within the state shall pay to the state for the privilege of
29 doing business within the state a tax according to or measured by its net
30 income for the next preceding taxable year to be computed as provided in
31 this act. Such tax shall consist of a normal tax and a surtax and shall be
32 computed as follows:

33 ~~(a)~~(1) *For tax year 2024, and all tax years thereafter*, the normal tax
34 on every trust company and savings and loan association shall be an
35 amount equal to ~~2⁺/₄%~~ 1.93% of such net income; and

36 ~~(b)~~(2) the surtax on every trust company and savings and loan
37 association shall be an amount equal to ~~2⁺/₄%~~ 2.25% of such net income in
38 excess of \$25,000.

39 (b) The tax levied shall be in lieu of ad valorem taxes which might
40 otherwise be imposed by the state or political subdivision thereof upon
41 shares of capital stock or other intangible assets of trust companies and
42 savings and loan associations.

43 Sec. 8. K.S.A. 2023 Supp. 79-2988, as amended by section 15 of

1 2024 Senate Bill No. 410, is hereby amended to read as follows: 79-2988.

2 (a) On or before June 15 each year, the county clerk shall calculate the
3 revenue neutral rate for each taxing subdivision and include such revenue
4 neutral rate on the notice of the estimated assessed valuation provided to
5 each taxing subdivision for budget purposes, *except that for tax year 2024,*
6 *the deadline shall be extended to July 1, 2024.* The director of accounts
7 and reports shall modify the prescribed budget information form to show
8 the revenue neutral rate.

9 (b) Except as otherwise provided in this section, no tax rate in excess
10 of the revenue neutral rate shall be levied by the governing body of any
11 taxing subdivision unless a resolution or ordinance has been approved by
12 the governing body according to the following procedure:

13 (1) At least 10 days in advance of the public hearing, the governing
14 body shall publish notice of its proposed intent to exceed the revenue
15 neutral rate by publishing notice:

16 (A) On the website of the governing body, if the governing body
17 maintains a website; and

18 (B) in a weekly or daily newspaper of the county having a general
19 circulation therein. The notice shall include, but not be limited to, its
20 proposed tax rate, its revenue neutral rate and the date, time and location
21 of the public hearing.

22 (2) On or before July 20, the governing body shall notify the county
23 clerk of its proposed intent to exceed the revenue neutral rate and provide
24 the date, time and location of the public hearing and its proposed tax rate.
25 For all tax years commencing after December 31, 2021, the county clerk
26 shall notify each taxpayer with property in the taxing subdivision, by mail
27 directed to the taxpayer's last known address, of the proposed intent to
28 exceed the revenue neutral rate at least 10 days in advance of the public
29 hearing. Alternatively, the county clerk may transmit the notice to the
30 taxpayer by electronic means at least 10 days in advance of the public
31 hearing, if such taxpayer and county clerk have consented in writing to
32 service by electronic means. The county clerk is not required to send a
33 notice to a property owner of property that is exempt from ad valorem
34 taxation. The county clerk shall consolidate the required information for
35 all taxing subdivisions relevant to the taxpayer's property on one notice.
36 The notice shall be in a format prescribed by the director of accounts and
37 reports. The notice shall include, but not be limited to:

38 (A) The following heading:

39 "NOTICE OF PROPOSED PROPERTY TAX INCREASE AND
40 PUBLIC HEARINGS

41 [Current year] [County name] County Revenue Neutral Rate Notice
42 This is NOT a bill. Do not remit payment.";

43 (B) the following statement:

1 "This notice contains estimates of the tax on your property and
2 proposed property tax increases. THE ACTUAL TAX ON YOUR
3 PROPERTY MAY INCREASE OR DECREASE FROM THESE
4 ESTIMATES. Governing bodies of taxing subdivisions must vote in order
5 to exceed the Revenue Neutral Rate to increase the total property taxes
6 collected. Governing bodies will vote at public hearings at the dates, times
7 and locations listed. Taxpayers may attend and comment at the hearings.
8 Property tax statements will be issued after mill rates are finalized and
9 taxes are calculated.";

10 (C) the appraised value and assessed value of the taxpayer's property
11 for the current year and the previous year;

12 (D) the amount of property tax of each taxing subdivision on the
13 taxpayer's property from the previous year's tax statement in a column
14 titled: "[Previous year] Tax";

15 (E) the estimated amount of property tax for the current year of each
16 taxing subdivision on the taxpayer's property based on the revenue neutral
17 rate of each taxing subdivision in a column titled: "[Current year] Tax at
18 Revenue Neutral Rate";

19 (F) the estimated amount of property tax for the current year of each
20 taxing subdivision on the taxpayer's property based on either: (i) The
21 revenue neutral rate for a taxing subdivision that does not intend to exceed
22 its revenue neutral rate; or (ii) the proposed tax rate provided by the taxing
23 subdivision, if the taxing subdivision notified the county clerk of its
24 proposed intent to exceed its revenue neutral rate in a column titled:
25 "[Current year] Maximum Tax";

26 (G) the difference between the amount of the current year's maximum
27 tax and the previous year's tax, reflected in dollars and a percentage, for
28 each taxing subdivision in a column titled: "[Current year] Maximum Tax
29 Exceeding [Previous year] Tax";

30 (H) the date, time and location of the public hearing of each taxing
31 subdivision that notified the county clerk of its proposed intent to exceed
32 its revenue neutral rate in a column titled: "Date, Time and Location of
33 Public Hearing"; and

34 (I) for each taxing subdivision public hearing listed pursuant to
35 subparagraph (H), the difference between the current year's maximum tax
36 and the estimated amount of property tax based on the revenue neutral rate
37 of such taxing subdivision in a column titled: "[Current year] Maximum
38 Tax Exceeding Tax at Revenue Neutral Rate".

39 Although the state of Kansas is not a taxing subdivision for purposes of
40 this section, the notice shall include the previous year's tax amount and the
41 estimate of the tax for the current year on the taxpayer's property based on
42 the statutory mill levies.

43 (3) The public hearing to consider exceeding the revenue neutral rate

1 shall be held not sooner than August 20 and not later than September 20.
2 The governing body shall provide interested taxpayers desiring to be heard
3 an opportunity to present oral testimony within reasonable time limits and
4 without unreasonable restriction on the number of individuals allowed to
5 make public comment. The public hearing may be conducted in
6 conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929,
7 and amendments thereto, if the governing body otherwise complies with
8 all requirements of this section. Nothing in this section shall be construed
9 to prohibit additional public hearings that provide additional opportunities
10 to present testimony or public comment prior to the public hearing
11 required by this section.

12 (4) A majority vote of the governing body, by the adoption of a
13 resolution or ordinance to approve exceeding the revenue neutral rate,
14 shall be required prior to adoption of a proposed budget that will result in a
15 tax rate in excess of the revenue neutral rate. Such vote of the governing
16 body shall be conducted at the public hearing and on the same day as the
17 commencement of the public hearing after the governing body has heard
18 from interested taxpayers and shall be a roll call vote. If the governing
19 body approves exceeding the revenue neutral rate, the governing body
20 shall not adopt a budget that results in a tax rate in excess of its proposed
21 tax rate as stated in the notice provided pursuant to this section. A copy of
22 the resolution or ordinance to approve exceeding the revenue neutral rate
23 and a certified copy of any roll call vote reporting, at a minimum, the
24 name and vote of each member of the governing body related to exceeding
25 the revenue neutral rate, whether approved or not, shall be included with
26 the adopted budget, budget certificate and other budget forms filed with
27 the county clerk and the director of accounts and reports and shall be
28 published on the website of the department of administration.

29 (c) (1) Any governing body subject to the provisions of this section
30 that does not comply with subsection (b) shall refund to taxpayers any
31 property taxes over-collected based on the amount of the levy that was in
32 excess of the revenue neutral rate.

33 (2) Any taxpayer of the taxing subdivision that is the subject of the
34 complaint or such taxpayer's duly authorized representative may file a
35 complaint with the state board of tax appeals by filing a written complaint,
36 on a form prescribed by the board, that contains the facts that the
37 complaining party believes show that a governing body of a taxing
38 subdivision did not comply with the provisions of subsection (b) and that a
39 reduction or refund of taxes is appropriate. The complaining party shall
40 provide a copy of such complaint to the governing body of the taxing
41 subdivision making the levy that is the subject of the complaint.
42 Notwithstanding K.S.A. 74-2438a, and amendments thereto, no filing fee
43 shall be charged by the executive director of the state board of tax appeals

1 for a complaint filed pursuant to this paragraph. The governing body of the
2 taxing subdivision making the levy that is the subject of the complaint
3 shall be a party to the proceeding. Notice of any summary proceeding or
4 hearing shall be served upon such governing body, the county clerk, the
5 director of accounts and reports and the complaining party. It shall be the
6 duty of the governing body to initiate the production of evidence to
7 demonstrate, by a preponderance of the evidence, the validity of such levy.
8 If upon a summary proceeding or hearing, it shall be made to appear to the
9 satisfaction of the board that the governing body of the taxing subdivision
10 did not comply with subsection (b), the state board of tax appeals shall
11 order such governing body to refund to taxpayers the amount of property
12 taxes over collected or reduce the taxes levied, if uncollected. The
13 provisions of this paragraph shall not be construed as prohibiting any other
14 remedies available under the law.

15 (d) On and after January 1, 2022, in the event that the ~~20-mills tax~~
16 levied by a school district pursuant to K.S.A. 72-5142, and amendments
17 thereto, increases the property tax revenue generated for the purpose of
18 calculating the revenue neutral rate from the previous tax year and such
19 amount of increase in revenue generated from ~~the 20-mills such tax levied~~
20 is the only reason *that* the school district would exceed the total property
21 tax revenue from the prior year, the school district shall be deemed to not
22 have exceeded the revenue neutral rate in levying a tax rate in excess of
23 the revenue neutral rate to take into account the increase in revenue from
24 only ~~the 20-mills such tax levied~~.

25 (e) (1) Notwithstanding any other provision of law to the contrary, if
26 the governing body of a taxing subdivision must conduct a public hearing
27 to approve exceeding the revenue neutral rate under this section, the
28 governing body of the taxing subdivision shall certify, on or before
29 October 1, to the proper county clerk the amount of ad valorem tax to be
30 levied.

31 (2) If a governing body of a taxing subdivision did not comply with
32 the provisions of subsection (b) and certifies to the county clerk an amount
33 of ad valorem tax to be levied that would result in a tax rate in excess of its
34 revenue neutral rate, the county clerk shall reduce the ad valorem tax to be
35 levied to the amount resulting from such taxing subdivision's revenue
36 neutral rate.

37 (f) As used in this section:

38 (1) "Taxing subdivision" means any political subdivision of the state
39 that levies an ad valorem tax on property.

40 (2) "Revenue neutral rate" means the tax rate for the current tax year
41 that would generate the same property tax revenue as levied the previous
42 tax year using the current tax year's total assessed valuation. To calculate
43 the revenue neutral rate, the county clerk shall divide the property tax

1 revenue for such taxing subdivision levied for the previous tax year by the
2 total of all taxable assessed valuation in such taxing subdivision for the
3 current tax year, and then multiply the quotient by 1,000 to express the rate
4 in mills. The revenue neutral rate shall be expressed to the third decimal
5 place.

6 (g) In the event that a county clerk incurred costs of printing and
7 postage that were not reimbursed pursuant to K.S.A. 2023 Supp. 79-2989,
8 and amendments thereto, such county clerk may seek reimbursement from
9 all taxing subdivisions required to send the notice. Such costs shall be
10 shared proportionately by all taxing subdivisions that were included on the
11 same notice based on the total property tax levied by each taxing
12 subdivision. Payment of such costs shall be due to the county clerk by
13 December 31.

14 (h) The department of administration or the director of accounts and
15 reports shall make copies of adopted budgets, budget certificates, other
16 budget documents and revenue neutral rate documents available to the
17 public on the department of administration's website on a permanently
18 accessible web page that may be accessed via a conspicuous link to that
19 web page placed on the front page of the department's website. The
20 department of administration or the director of accounts and reports shall
21 also make the following information for each tax year available on such
22 website:

- 23 (1) A list of taxing subdivisions by county;
- 24 (2) whether each taxing subdivision conducted a hearing to consider
25 exceeding its revenue neutral rate;
- 26 (3) the revenue neutral rate of each taxing subdivision;
- 27 (4) the tax rate resulting from the adopted budget of each taxing
28 subdivision; and
- 29 (5) the percent change between the revenue neutral rate and the tax
30 rate for each taxing subdivision.

31 (i) Notwithstanding any provisions to the contrary, in the event any
32 governing body does not comply with the provisions of subsection (b)
33 because such governing body did not intend to exceed its revenue neutral
34 rate but the final taxable assessed valuation of such taxing subdivision
35 used to calculate the actual tax levy is less than the estimated assessed
36 valuation used to calculate the revenue neutral rate, such governing body
37 shall be permitted to levy a tax rate that generates the same amount of
38 property tax revenue as levied the previous year or less.

39 Sec. 9. K.S.A. 79-32,111c is hereby amended to read as follows: 79-
40 32,111c. (a) There shall be allowed as a credit against the tax liability of a
41 resident individual imposed under the Kansas income tax act an amount
42 equal to 12.5% for tax year 2018; an amount equal to 18.75% for tax year
43 2019; ~~and~~ an amount equal to 25% for tax-year years 2020 through 2023;

1 *and an amount equal to 100% for tax year 2024*, and all tax years
2 thereafter, of the amount of the credit allowed against such taxpayer's
3 federal income tax liability pursuant to 26 U.S.C. § 21 for the taxable year
4 in which such credit was claimed against the taxpayer's federal income tax
5 liability.

6 (b) The credit allowed by subsection (a) shall not exceed the amount
7 of the tax imposed by K.S.A. 79-32,110, and amendments thereto, reduced
8 by the sum of any other credits allowable pursuant to law.

9 (c) No credit provided under this section shall be allowed to any
10 individual who fails to provide a valid social security number issued by the
11 social security administration, to such individual, the individual's spouse
12 and every dependent of the individual.

13 Sec. 10. K.S.A. 2023 Supp. 79-32,117, as amended by section 14 of
14 2023 Senate Bill No. 27, is hereby amended to read as follows: 79-32,117.

15 (a) The Kansas adjusted gross income of an individual means such
16 individual's federal adjusted gross income for the taxable year, with the
17 modifications specified in this section.

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

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

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

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

42 (iv) Federal income tax refunds received by the taxpayer if the
43 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 subsection
39 (c)(xv) or if such amounts are not already included in the federal adjusted
40 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 of any interest expense paid or accrued in a previous taxable
24 year but allowed as a deduction pursuant to section 163 of the federal
25 internal revenue code in the current taxable year by reason of the
26 carryforward of disallowed business interest pursuant to section 163(j)
27 of the federal internal revenue code. For purposes of this paragraph, an
28 interest expense is considered paid or accrued only in the first taxable year
29 the deduction would have been allowable pursuant to section 163 of the
30 federal internal revenue code if the limitation pursuant to section 163(j)
31 of the federal internal revenue code did not exist.

32 (xxviii) For all taxable years beginning after December 31, 2021, the
33 amount of any contributions to, or earnings from, a first-time home buyer
34 savings account if distributions from the account were not used to pay for
35 expenses or transactions authorized pursuant to K.S.A. 2023 Supp. 58-
36 4904, and amendments thereto, or were not held for the minimum length
37 of time required pursuant to K.S.A. 2023 Supp. 58-4904, and amendments
38 thereto. Contributions to, or earnings from, such account shall also include
39 any amount resulting from the account holder not designating a surviving
40 payable on death beneficiary pursuant to K.S.A. 2023 Supp. 58-4904(e),
41 and amendments thereto.

42 (xxix) For all taxable years beginning after December 31, 2024, the
43 amount of any contributions to, or earnings from, an adoption savings

1 account if distributions from the account were not used to pay for expenses
2 or transactions authorized pursuant to section 4 of 2024 House Bill No.
3 2465, and amendments thereto, or were not held for the minimum length
4 of time required pursuant to section 4 of 2024 House Bill No. 2465, and
5 amendments thereto. Contributions to, or earnings from, such account
6 shall also include any amount resulting from the account holder not
7 designating a surviving payable on death beneficiary pursuant to section
8 4(e) of 2024 House Bill No. 2465, and amendments thereto.

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

10 (i) Interest or dividend income on obligations or securities of any
11 authority, commission or instrumentality of the United States and its
12 possessions less any related expenses directly incurred in the purchase of
13 such obligations or securities, to the extent included in federal adjusted
14 gross income but exempt from state income taxes under the laws of the
15 United States.

16 (ii) Any amounts received which are included in federal adjusted
17 gross income but which are specifically exempt from Kansas income
18 taxation under the laws of the state of Kansas.

19 (iii) The portion of any gain or loss from the sale or other disposition
20 of property having a higher adjusted basis for Kansas income tax purposes
21 than for federal income tax purposes on the date such property was sold or
22 disposed of in a transaction in which gain or loss was recognized for
23 purposes of federal income tax that does not exceed such difference in
24 basis, but if a gain is considered a long-term capital gain for federal
25 income tax purposes, the modification shall be limited to that portion of
26 such gain which is included in federal adjusted gross income.

27 (iv) The amount necessary to prevent the taxation under this act of
28 any annuity or other amount of income or gain which was properly
29 included in income or gain and was taxed under the laws of this state for a
30 taxable year prior to the effective date of this act, as amended, to the
31 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
32 the right to receive the income or gain, or to a trust or estate from which
33 the taxpayer received the income or gain.

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

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

41 (vii) Amounts received as annuities under the federal civil service
42 retirement system from the civil service retirement and disability fund and
43 other amounts received as retirement benefits in whatever form which

1 were earned for being employed by the federal government or for service
2 in the armed forces of the United States.

3 (viii) Amounts received by retired railroad employees as a
4 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and
5 228c(a)(1) et seq.

6 (ix) Amounts received by retired employees of a city and by retired
7 employees of any board of such city as retirement allowances pursuant to
8 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter
9 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and
10 amendments thereto.

11 (x) (1) For taxable years beginning after December 31, 2021, the
12 amount of any federal credit disallowance under the provisions of 26
13 U.S.C. § 280C(a).

14 (2) For taxable years beginning after December 31, 2019, and ending
15 before January 1, 2022, 50% of the amount of the federal employee
16 retention credit disallowance under rules similar to the rules of 26 U.S.C. §
17 280C(a). The taxpayer shall be required to prove that such taxpayer
18 previously filed Kansas income tax returns and paid Kansas income tax on
19 the disallowed amount. Notwithstanding any other provision of law to the
20 contrary, any claim for refund or amended return relating to this
21 subparagraph shall be allowed to be filed on or before April 15, 2025, and
22 no claim for refund or amended return shall be allowed or filed after April
23 15, 2025.

24 (xi) For taxable years beginning after December 31, 1986, dividend
25 income on stock issued by Kansas venture capital, inc.

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

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

34 (xiv) For all taxable years commencing after December 31, 1996, that
35 portion of any income of a bank organized under the laws of this state or
36 any other state, a national banking association organized under the laws of
37 the United States, an association organized under the savings and loan
38 code of this state or any other state, or a federal savings association
39 organized under the laws of the United States, for which an election as an
40 S corporation under subchapter S of the federal internal revenue code is in
41 effect, which accrues to the taxpayer who is a stockholder of such
42 corporation and which is not distributed to the stockholders as dividends of
43 the corporation. For taxable years beginning after December 31, 2012, and

1 ending before January 1, 2017, the amount of modification under this
2 subsection shall exclude the portion of income or loss reported on schedule
3 E and included on line 17 of the taxpayer's form 1040 federal individual
4 income tax return.

5 (xv) The cumulative amounts not exceeding \$3,000, or \$6,000 for a
6 married couple filing a joint return, for each designated beneficiary that
7 are contributed to: (1) A family postsecondary education savings account
8 established under the Kansas postsecondary education savings program or
9 a qualified tuition program established and maintained by another state or
10 agency or instrumentality thereof pursuant to section 529 of the internal
11 revenue code of 1986, as amended, for the purpose of paying the qualified
12 higher education expenses of a designated beneficiary; or (2) an achieving
13 a better life experience (ABLE) account established under the Kansas
14 ABLE savings program or a qualified ABLE program established and
15 maintained by another state or agency or instrumentality thereof pursuant
16 to section 529A of the internal revenue code of 1986, as amended, for the
17 purpose of saving private funds to support an individual with a disability.
18 The terms and phrases used in this paragraph shall have the meaning
19 respectively ascribed thereto by the provisions of K.S.A. 75-643 and 75-
20 652, and amendments thereto, and the provisions of such sections are
21 hereby incorporated by reference for all purposes thereof. For all taxable
22 years beginning after December 31, 2022, contributions made to a
23 qualified tuition program account or a qualified ABLE program account
24 pursuant to this paragraph on and after January 1 but prior to the date
25 required for filing a return pursuant to K.S.A. 79-3221, and amendments
26 thereto, of the successive taxable year may be elected by the taxpayer to
27 apply to the prior taxable year if such election is made at the time of filing
28 the return. No contribution shall be used as a modification pursuant to this
29 paragraph in more than one taxable year.

30 (xvi) For all taxable years beginning after December 31, 2004,
31 amounts received by taxpayers who are or were members of the armed
32 forces of the United States, including service in the Kansas army and air
33 national guard, as a recruitment, sign up or retention bonus received by
34 such taxpayer as an incentive to join, enlist or remain in the armed services
35 of the United States, including service in the Kansas army and air national
36 guard, and amounts received for repayment of educational or student loans
37 incurred by or obligated to such taxpayer and received by such taxpayer as
38 a result of such taxpayer's service in the armed forces of the United States,
39 including service in the Kansas army and air national guard.

40 (xvii) For all taxable years beginning after December 31, 2004,
41 amounts received by taxpayers who are eligible members of the Kansas
42 army and air national guard as a reimbursement pursuant to K.S.A. 48-
43 281, and amendments thereto, and amounts received for death benefits

1 pursuant to K.S.A. 48-282, and amendments thereto, to the extent that
2 such death benefits are included in federal adjusted gross income of the
3 taxpayer.

4 ~~(xviii) For the taxable year beginning after December 31, 2006,~~
5 ~~amounts received as benefits under the federal social security act which~~
6 ~~are included in federal adjusted gross income of a taxpayer with federal~~
7 ~~adjusted gross income of \$50,000 or less, whether such taxpayer's filing~~
8 ~~status is single, head of household, married filing separate or married filing~~
9 ~~jointly; and (A) For all taxable years beginning after December 31,~~
10 ~~2007, and ending before January 1, 2024, amounts received as benefits~~
11 ~~under the federal social security act which are included in federal adjusted~~
12 ~~gross income of a taxpayer with federal adjusted gross income of \$75,000~~
13 ~~or less, whether such taxpayer's filing status is single, head of household,~~
14 ~~married filing separate or married filing jointly.~~

15 *(B) For all taxable years beginning after December 31, 2023,*
16 *amounts received as benefits under the federal social security act that are*
17 *included in federal adjusted gross income of a taxpayer.*

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

20 (xx) For taxable years beginning after December 31, 2012, and
21 ending before January 1, 2017, the amount of any: (1) Net profit from
22 business as determined under the federal internal revenue code and
23 reported from schedule C and on line 12 of the taxpayer's form 1040
24 federal individual income tax return; (2) net income, not including
25 guaranteed payments as defined in section 707(c) of the federal internal
26 revenue code and as reported to the taxpayer from federal schedule K-1,
27 (form 1065-B), in box 9, code F or as reported to the taxpayer from federal
28 schedule K-1, (form 1065) in box 4, from rental real estate, royalties,
29 partnerships, S corporations, estates, trusts, residual interest in real estate
30 mortgage investment conduits and net farm rental as determined under the
31 federal internal revenue code and reported from schedule E and on line 17
32 of the taxpayer's form 1040 federal individual income tax return; and (3)
33 net farm profit as determined under the federal internal revenue code and
34 reported from schedule F and on line 18 of the taxpayer's form 1040
35 federal income tax return; all to the extent included in the taxpayer's
36 federal adjusted gross income. For purposes of this subsection, references
37 to the federal form 1040 and federal schedule C, schedule E, and schedule
38 F, shall be to such form and schedules as they existed for tax year 2011
39 and as revised thereafter by the internal revenue service.

40 (xxi) For all taxable years beginning after December 31, 2013,
41 amounts equal to the unreimbursed travel, lodging and medical
42 expenditures directly incurred by a taxpayer while living, or a dependent
43 of the taxpayer while living, for the donation of one or more human organs

1 of the taxpayer, or a dependent of the taxpayer, to another person for
2 human organ transplantation. The expenses may be claimed as a
3 subtraction modification provided for in this section to the extent the
4 expenses are not already subtracted from the taxpayer's federal adjusted
5 gross income. In no circumstances shall the subtraction modification
6 provided for in this section for any individual, or a dependent, exceed
7 \$5,000. As used in this section, "human organ" means all or part of a liver,
8 pancreas, kidney, intestine, lung or bone marrow. The provisions of this
9 paragraph shall take effect on the day the secretary of revenue certifies to
10 the director of the budget that the cost for the department of revenue of
11 modifications to the automated tax system for the purpose of
12 implementing this paragraph will not exceed \$20,000.

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

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

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

33 (xxv) For all taxable years commencing after December 31, 2020,
34 100% of global intangible low-taxed income under section 951A of the
35 federal internal revenue code of 1986, before any deductions allowed
36 under section 250(a)(1)(B) of such code.

37 (xxvi) (1) For all taxable years commencing after December 31,
38 2020, the amount of any interest expense paid or accrued in the current
39 taxable year and disallowed as a deduction pursuant to section 163(j) of
40 the federal internal revenue code.

41 (2) For purposes of this paragraph, an interest expense is considered
42 paid or accrued only in the first taxable year the deduction would have
43 been allowable pursuant to section 163 of the federal internal revenue code

1 if the limitation pursuant to section 163(j) of the federal internal revenue
2 code did not exist.

3 (3) For tax year 2021, an amount equal to the sum of any interest
4 expenses paid or accrued in tax years 2018, 2019 and 2020 less the sum of
5 amounts allowed as a deduction pursuant to section 163 of the federal
6 internal revenue code in tax years 2018, 2019 and 2020.

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

12 (xxviii) For all taxable years beginning after December 31, 2021: (1)
13 The amount contributed to a first-time home buyer savings account
14 pursuant to K.S.A. 2023 Supp. 58-4903, and amendments thereto, in an
15 amount not to exceed \$3,000 for an individual or \$6,000 for a married
16 couple filing a joint return; or (2) amounts received as income earned from
17 assets in a first-time home buyer savings account. For all taxable years
18 beginning after December 31, 2022, contributions made to a first-time
19 home buyer savings account pursuant to subparagraph (1) on and after
20 January 1 but prior to the date required for filing a return pursuant to
21 K.S.A. 79-3221, and amendments thereto, of the successive taxable year
22 may be elected by the taxpayer to apply to the prior taxable year if such
23 election is made at the time of filing the return. No contribution shall be
24 used as a modification pursuant to subparagraph (1) in more than one
25 taxable year.

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

1 return must be filed on or before April 15, 2025.

2 (xxx) For all taxable years beginning after December 31, 2024: (1)
3 The amount contributed to an adoption savings account pursuant to section
4 3 of 2024 House Bill No. 2465, and amendments thereto, in an amount not
5 to exceed \$6,000 for an individual or \$12,000 for a married couple filing a
6 joint return; or (2) amounts received as income earned from assets in an
7 adoption savings account.

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

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

17 Sec. 11. K.S.A. 2023 Supp. 79-3603 is hereby amended to read as
18 follows: 79-3603. For the privilege of engaging in the business of selling
19 tangible personal property at retail in this state or rendering or furnishing
20 any of the services taxable under this act, there is hereby levied and there
21 shall be collected and paid a tax at the rate of 6.5%. On and after January
22 1, 2023, 17% and on and after ~~January 1, 2025~~ *October 1, 2024*, 18% of
23 the tax rate imposed pursuant to this section and the rate provided in
24 K.S.A. 2023 Supp. 79-3603d, and amendments thereto, shall be levied for
25 the state highway fund, the state highway fund purposes and those
26 purposes specified in K.S.A. 68-416, and amendments thereto, and all
27 revenue collected and received from such tax levy shall be deposited in the
28 state highway fund.

29 Within a redevelopment district established pursuant to K.S.A. 74-
30 8921, and amendments thereto, there is hereby levied and there shall be
31 collected and paid an additional tax at the rate of 2% until the earlier of the
32 date the bonds issued to finance or refinance the redevelopment project
33 have been paid in full or the final scheduled maturity of the first series of
34 bonds issued to finance any part of the project.

35 Such tax shall be imposed upon:

36 (a) The gross receipts received from the sale of tangible personal
37 property at retail within this state;

38 (b) the gross receipts from intrastate, interstate or international
39 telecommunications services and any ancillary services sourced to this
40 state in accordance with K.S.A. 79-3673, and amendments thereto, except
41 that telecommunications service does not include: (1) Any interstate or
42 international 800 or 900 service; (2) any interstate or international private
43 communications service as defined in K.S.A. 79-3673, and amendments

1 thereto; (3) any value-added nonvoice data service; (4) any
2 telecommunication service to a provider of telecommunication services
3 which will be used to render telecommunications services, including
4 carrier access services; or (5) any service or transaction defined in this
5 section among entities classified as members of an affiliated group as
6 provided by section 1504 of the federal internal revenue code of 1986, as
7 in effect on January 1, 2001;

8 (c) the gross receipts from the sale or furnishing of gas, water,
9 electricity and heat, which sale is not otherwise exempt from taxation
10 under the provisions of this act, and whether furnished by municipally or
11 privately owned utilities, except that, on and after January 1, 2006, for
12 sales of gas, electricity and heat delivered through mains, lines or pipes to
13 residential premises for noncommercial use by the occupant of such
14 premises, and for agricultural use and also, for such use, all sales of
15 propane gas, the state rate shall be 0%; and for all sales of propane gas, LP
16 gas, coal, wood and other fuel sources for the production of heat or
17 lighting for noncommercial use of an occupant of residential premises, the
18 state rate shall be 0%, but such tax shall not be levied and collected upon
19 the gross receipts from: (1) The sale of a rural water district benefit unit;
20 (2) a water system impact fee, system enhancement fee or similar fee
21 collected by a water supplier as a condition for establishing service; or (3)
22 connection or reconnection fees collected by a water supplier;

23 (d) the gross receipts from the sale of meals or drinks furnished at any
24 private club, drinking establishment, catered event, restaurant, eating
25 house, dining car, hotel, drugstore or other place where meals or drinks are
26 regularly sold to the public;

27 (e) the gross receipts from the sale of admissions to any place
28 providing amusement, entertainment or recreation services including
29 admissions to state, county, district and local fairs, but such tax shall not
30 be levied and collected upon the gross receipts received from sales of
31 admissions to any cultural and historical event which occurs triennially;

32 (f) the gross receipts from the operation of any coin-operated device
33 dispensing or providing tangible personal property, amusement or other
34 services except laundry services, whether automatic or manually operated;

35 (g) the gross receipts from the service of renting of rooms by hotels,
36 as defined by K.S.A. 36-501, and amendments thereto, or by
37 accommodation brokers, as defined by K.S.A. 12-1692, and amendments
38 thereto, but such tax shall not be levied and collected upon the gross
39 receipts received from sales of such service to the federal government and
40 any agency, officer or employee thereof in association with the
41 performance of official government duties;

42 (h) the gross receipts from the service of renting or leasing of tangible
43 personal property except such tax shall not apply to the renting or leasing

1 of machinery, equipment or other personal property owned by a city and
2 purchased from the proceeds of industrial revenue bonds issued prior to
3 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through
4 12-1749, and amendments thereto, and any city or lessee renting or leasing
5 such machinery, equipment or other personal property purchased with the
6 proceeds of such bonds who shall have paid a tax under the provisions of
7 this section upon sales made prior to July 1, 1973, shall be entitled to a
8 refund from the sales tax refund fund of all taxes paid thereon;

9 (i) the gross receipts from the rendering of dry cleaning, pressing,
10 dyeing and laundry services except laundry services rendered through a
11 coin-operated device whether automatic or manually operated;

12 (j) the gross receipts from the rendering of the services of washing
13 and washing and waxing of vehicles;

14 (k) the gross receipts from cable, community antennae and other
15 subscriber radio and television services;

16 (l) (1) except as otherwise provided by paragraph (2), the gross
17 receipts received from the sales of tangible personal property to all
18 contractors, subcontractors or repairmen for use by them in erecting
19 structures, or building on, or otherwise improving, altering, or repairing
20 real or personal property.

21 (2) Any such contractor, subcontractor or repairman who maintains
22 an inventory of such property both for sale at retail and for use by them for
23 the purposes described by paragraph (1) shall be deemed a retailer with
24 respect to purchases for and sales from such inventory, except that the
25 gross receipts received from any such sale, other than a sale at retail, shall
26 be equal to the total purchase price paid for such property and the tax
27 imposed thereon shall be paid by the deemed retailer;

28 (m) the gross receipts received from fees and charges by public and
29 private clubs, drinking establishments, organizations and businesses for
30 participation in sports, games and other recreational activities, but such tax
31 shall not be levied and collected upon the gross receipts received from: (1)
32 Fees and charges by any political subdivision, by any organization exempt
33 from property taxation pursuant to K.S.A. 79-201 *Ninth*, and amendments
34 thereto, or by any youth recreation organization exclusively providing
35 services to persons 18 years of age or younger which is exempt from
36 federal income taxation pursuant to section 501(c)(3) of the federal
37 internal revenue code of 1986, for participation in sports, games and other
38 recreational activities; and (2) entry fees and charges for participation in a
39 special event or tournament sanctioned by a national sporting association
40 to which spectators are charged an admission which is taxable pursuant to
41 subsection (e);

42 (n) the gross receipts received from dues charged by public and
43 private clubs, drinking establishments, organizations and businesses,

1 payment of which entitles a member to the use of facilities for recreation
2 or entertainment, but such tax shall not be levied and collected upon the
3 gross receipts received from: (1) Dues charged by any organization exempt
4 from property taxation pursuant to K.S.A. 79-201 *Eighth* and *Ninth*, and
5 amendments thereto; and (2) sales of memberships in a nonprofit
6 organization which is exempt from federal income taxation pursuant to
7 section 501(c)(3) of the federal internal revenue code of 1986, and whose
8 purpose is to support the operation of a nonprofit zoo;

9 (o) the gross receipts received from the isolated or occasional sale of
10 motor vehicles or trailers but not including: (1) The transfer of motor
11 vehicles or trailers by a person to a corporation or limited liability
12 company solely in exchange for stock securities or membership interest in
13 such corporation or limited liability company; (2) the transfer of motor
14 vehicles or trailers by one corporation or limited liability company to
15 another when all of the assets of such corporation or limited liability
16 company are transferred to such other corporation or limited liability
17 company; or (3) the sale of motor vehicles or trailers which are subject to
18 taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and
19 amendments thereto, by an immediate family member to another
20 immediate family member. For the purposes of paragraph (3), immediate
21 family member means lineal ascendants or descendants, and their spouses.

22 Any amount of sales tax paid pursuant to the Kansas retailers sales tax act
23 on the isolated or occasional sale of motor vehicles or trailers on and after
24 July 1, 2004, which the base for computing the tax was the value pursuant
25 to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when
26 such amount was higher than the amount of sales tax which would have
27 been paid under the law as it existed on June 30, 2004, shall be refunded to
28 the taxpayer pursuant to the procedure prescribed by this section. Such
29 refund shall be in an amount equal to the difference between the amount of
30 sales tax paid by the taxpayer and the amount of sales tax which would
31 have been paid by the taxpayer under the law as it existed on June 30,
32 2004. Each claim for a sales tax refund shall be verified and submitted not
33 later than six months from the effective date of this act to the director of
34 taxation upon forms furnished by the director and shall be accompanied by
35 any additional documentation required by the director. The director shall
36 review each claim and shall refund that amount of tax paid as provided by
37 this act. All such refunds shall be paid from the sales tax refund fund, upon
38 warrants of the director of accounts and reports pursuant to vouchers
39 approved by the director of taxation or the director's designee. No refund
40 for an amount less than \$10 shall be paid pursuant to this act. In
41 determining the base for computing the tax on such isolated or occasional
42 sale, the fair market value of any motor vehicle or trailer traded in by the
43 purchaser to the seller may be deducted from the selling price;

1 (p) the gross receipts received for the service of installing or applying
2 tangible personal property which when installed or applied is not being
3 held for sale in the regular course of business, and whether or not such
4 tangible personal property when installed or applied remains tangible
5 personal property or becomes a part of real estate, except that no tax shall
6 be imposed upon the service of installing or applying tangible personal
7 property in connection with the original construction of a building or
8 facility, the original construction, reconstruction, restoration, remodeling,
9 renovation, repair or replacement of a residence or the construction,
10 reconstruction, restoration, replacement or repair of a bridge or highway.

11 For the purposes of this subsection:

12 (1) "Original construction" means the first or initial construction of a
13 new building or facility. The term "original construction" shall include the
14 addition of an entire room or floor to any existing building or facility, the
15 completion of any unfinished portion of any existing building or facility
16 and the restoration, reconstruction or replacement of a building, facility or
17 utility structure damaged or destroyed by fire, flood, tornado, lightning,
18 explosion, windstorm, ice loading and attendant winds, terrorism or
19 earthquake, but such term, except with regard to a residence, shall not
20 include replacement, remodeling, restoration, renovation or reconstruction
21 under any other circumstances;

22 (2) "building" means only those enclosures within which individuals
23 customarily are employed, or which are customarily used to house
24 machinery, equipment or other property, and including the land
25 improvements immediately surrounding such building;

26 (3) "facility" means a mill, plant, refinery, oil or gas well, water well,
27 feedlot or any conveyance, transmission or distribution line of any
28 cooperative, nonprofit, membership corporation organized under or subject
29 to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or
30 municipal or quasi-municipal corporation, including the land
31 improvements immediately surrounding such facility;

32 (4) "residence" means only those enclosures within which individuals
33 customarily live;

34 (5) "utility structure" means transmission and distribution lines
35 owned by an independent transmission company or cooperative, the
36 Kansas electric transmission authority or natural gas or electric public
37 utility; and

38 (6) "windstorm" means straight line winds of at least 80 miles per
39 hour as determined by a recognized meteorological reporting agency or
40 organization;

41 (q) the gross receipts received for the service of repairing, servicing,
42 altering or maintaining tangible personal property which when such
43 services are rendered is not being held for sale in the regular course of

1 business, and whether or not any tangible personal property is transferred
2 in connection therewith. The tax imposed by this subsection shall be
3 applicable to the services of repairing, servicing, altering or maintaining an
4 item of tangible personal property which has been and is fastened to,
5 connected with or built into real property;

6 (r) the gross receipts from fees or charges made under service or
7 maintenance agreement contracts for services, charges for the providing of
8 which are taxable under the provisions of subsection (p) or (q);

9 (s) on and after January 1, 2005, the gross receipts received from the
10 sale of prewritten computer software and the sale of the services of
11 modifying, altering, updating or maintaining prewritten computer
12 software, whether the prewritten computer software is installed or
13 delivered electronically by tangible storage media physically transferred to
14 the purchaser or by load and leave;

15 (t) the gross receipts received for telephone answering services;

16 (u) the gross receipts received from the sale of prepaid calling service
17 and prepaid wireless calling service as defined in K.S.A. 79-3673, and
18 amendments thereto;

19 (v) all sales of bingo cards, bingo faces and instant bingo tickets by
20 licensees under K.S.A. 75-5171 et seq., and amendments thereto, shall be
21 exempt from taxes imposed pursuant to this section;

22 (w) all sales of charitable raffle tickets in accordance with K.S.A. 75-
23 5171 et seq., and amendments thereto, shall be exempt from taxes imposed
24 pursuant to this section; and

25 (x) commencing on January 1, 2023, and thereafter, the state rate on
26 the gross receipts from the sale of food and food ingredients shall be as set
27 forth in K.S.A. 2023 Supp. 79-3603d, and amendments thereto.

28 Sec. 12. K.S.A. 2023 Supp. 79-3603d is hereby amended to read as
29 follows: 79-3603d. (a) There is hereby levied and there shall be collected
30 and paid a tax upon the gross receipts from the sale of food and food
31 ingredients. The rate of tax shall be as follows:

32 (1) Commencing on January 1, 2023, at the rate of 4%;

33 (2) commencing on January 1, 2024, at the rate of 2%; and

34 (3) commencing on ~~January 1, 2025~~ *October 1, 2024*, and thereafter,
35 at the rate of 0%.

36 (b) The provisions of this section shall not apply to prepared food
37 unless sold without eating utensils provided by the seller and described
38 below:

39 (1) Food sold by a seller whose proper primary NAICS classification
40 is manufacturing in sector 311, except subsector 3118 (bakeries);

41 (2) (A) food sold in an unheated state by weight or volume as a single
42 item; or

43 (B) only meat or seafood sold in an unheated state by weight or

1 volume as a single item;

2 (3) bakery items, including bread, rolls, buns, biscuits, bagels,
3 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars,
4 cookies and tortillas; or

5 (4) food sold that ordinarily requires additional cooking, as opposed
6 to just reheating, by the consumer prior to consumption.

7 (c) The provisions of this section shall be a part of and supplemental
8 to the Kansas retailers' sales tax act.

9 Sec. 13. K.S.A. 2023 Supp. 79-3620 is hereby amended to read as
10 follows: 79-3620. (a) All revenue collected or received by the director of
11 taxation from the taxes imposed by this act shall be remitted to the state
12 treasurer in accordance with the provisions of K.S.A. 75-4215, and
13 amendments thereto. Upon receipt of each such remittance, the state
14 treasurer shall deposit the entire amount in the state treasury, less amounts
15 withheld as provided in subsection (b) and amounts credited as provided in
16 subsections (c), (d) and (e), to the credit of the state general fund.

17 (b) A refund fund, designated as "sales tax refund fund" not to exceed
18 \$100,000 shall be set apart and maintained by the director from sales tax
19 collections and estimated tax collections and held by the state treasurer for
20 prompt payment of all sales tax refunds. Such fund shall be in such
21 amount, within the limit set by this section, as the director shall determine
22 is necessary to meet current refunding requirements under this act. In the
23 event such fund as established by this section is, at any time, insufficient to
24 provide for the payment of refunds due claimants thereof, the director shall
25 certify the amount of additional funds required to the director of accounts
26 and reports who shall promptly transfer the required amount from the state
27 general fund to the sales tax refund fund, and notify the state treasurer,
28 who shall make proper entry in the records.

29 (c) (1) On January 1, 2023, the state treasurer shall credit 17% of the
30 revenue collected and received from the tax imposed by K.S.A. 79-3603,
31 and amendments thereto, at the rates provided in K.S.A. 79-3603, and
32 amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments
33 thereto, and deposited as provided by subsection (a), exclusive of amounts
34 credited pursuant to subsection (d), in the state highway fund.

35 (2) On ~~January 1, 2025~~ *October 1, 2024*, and thereafter, the state
36 treasurer shall credit 18% of the revenue collected and received from the
37 tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates
38 provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2023
39 Supp. 79-3603d, and amendments thereto, and deposited as provided by
40 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
41 the state highway fund.

42 (d) The state treasurer shall credit all revenue collected or received
43 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as

1 certified by the director, from taxpayers doing business within that portion
2 of a STAR bond project district occupied by a STAR bond project or
3 taxpayers doing business with such entity financed by a STAR bond
4 project as defined in K.S.A. 12-17,162, and amendments thereto, that was
5 determined by the secretary of commerce to be of statewide as well as
6 local importance or will create a major tourism area for the state or the
7 project was designated as a STAR bond project as defined in K.S.A. 12-
8 17,162, and amendments thereto, to the city bond finance fund, which fund
9 is hereby created. The provisions of this subsection shall expire when the
10 total of all amounts credited hereunder and under K.S.A. 79-3710(d), and
11 amendments thereto, is sufficient to retire the special obligation bonds
12 issued for the purpose of financing all or a portion of the costs of such
13 STAR bond project.

14 (e) All revenue certified by the director of taxation as having been
15 collected or received from the tax imposed by K.S.A. 79-3603(c), and
16 amendments thereto, on the sale or furnishing of gas, water, electricity and
17 heat for use or consumption within the intermodal facility district
18 described in this subsection, shall be credited by the state treasurer to the
19 state highway fund. Such revenue may be transferred by the secretary of
20 transportation to the rail service improvement fund pursuant to law. The
21 provisions of this subsection shall take effect upon certification by the
22 secretary of transportation that a notice to proceed has been received for
23 the construction of the improvements within the intermodal facility
24 district, but not later than December 31, 2010, and shall expire when the
25 secretary of revenue determines that the total of all amounts credited
26 hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is
27 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all
28 revenues shall be collected and distributed in accordance with applicable
29 law. For all tax reporting periods during which the provisions of this
30 subsection are in effect, none of the exemptions contained in K.S.A. 79-
31 3601 et seq., and amendments thereto, shall apply to the sale or furnishing
32 of any gas, water, electricity and heat for use or consumption within the
33 intermodal facility district. As used in this subsection, "intermodal facility
34 district" shall consist of an intermodal transportation area as defined by
35 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county
36 within the polygonal-shaped area having Waverly Road as the eastern
37 boundary, 191st Street as the southern boundary, Four Corners Road as the
38 western boundary, and Highway 56 as the northern boundary, and the
39 polygonal-shaped area having Poplar Road as the eastern boundary, 183rd
40 Street as the southern boundary, Waverly Road as the western boundary,
41 and the BNSF mainline track as the northern boundary, that includes
42 capital investment in an amount exceeding \$150 million for the
43 construction of an intermodal facility to handle the transfer, storage and

1 distribution of freight through railway and trucking operations.

2 Sec. 14. K.S.A. 2023 Supp. 79-3703 is hereby amended to read as
3 follows: 79-3703. (a) There is hereby levied and there shall be collected
4 from every person in this state a tax or excise for the privilege of using,
5 storing, or consuming within this state any article of tangible personal
6 property. Such tax shall be levied and collected in an amount equal to the
7 consideration paid by the taxpayer multiplied by the rate of 6.5%.

8 (b) Commencing on January 1, 2023, and thereafter, the state rate on
9 the amount equal to the consideration paid by the taxpayer from the sale of
10 food and food ingredients as provided in K.S.A. 79-3603, and amendments
11 thereto, shall be as set forth in K.S.A. 2023 Supp. 79-3603d, and
12 amendments thereto.

13 (c) On and after January 1, 2023, 17% and on and after ~~January 1,~~
14 ~~2025~~ *October 1, 2024*, 18% of the tax rate imposed pursuant to this section
15 and the rate provided in K.S.A. 2023 Supp. 79-3603d, and amendments
16 thereto, shall be levied for the state highway fund, the state highway fund
17 purposes and those purposes specified in K.S.A. 68-416, and amendments
18 thereto, and all revenue collected and received from such tax levy shall be
19 deposited in the state highway fund.

20 (d) Within a redevelopment district established pursuant to K.S.A.
21 74-8921, and amendments thereto, there is hereby levied and there shall be
22 collected and paid an additional tax of 2% until the earlier of: (1) The date
23 the bonds issued to finance or refinance the redevelopment project
24 undertaken in the district have been paid in full; or (2) the final scheduled
25 maturity of the first series of bonds issued to finance the redevelopment
26 project.

27 (e) All property purchased or leased within or without this state and
28 subsequently used, stored or consumed in this state shall be subject to the
29 compensating tax if the same property or transaction would have been
30 subject to the Kansas retailers' sales tax had the transaction been wholly
31 within this state.

32 Sec. 15. K.S.A. 2023 Supp. 79-3710 is hereby amended to read as
33 follows: 79-3710. (a) All revenue collected or received by the director
34 under the provisions of this act shall be remitted to the state treasurer in
35 accordance with the provisions of K.S.A. 75-4215, and amendments
36 thereto. Upon receipt of each such remittance, the state treasurer shall
37 deposit the entire amount in the state treasury, less amounts set apart as
38 provided in subsection (b) and amounts credited as provided in subsection
39 (c), (d) and (e), to the credit of the state general fund.

40 (b) A revolving fund, designated as "compensating tax refund fund"
41 not to exceed \$10,000 shall be set apart and maintained by the director
42 from compensating tax collections and estimated tax collections and held
43 by the state treasurer for prompt payment of all compensating tax refunds.

1 Such fund shall be in such amount, within the limit set by this section, as
2 the director shall determine is necessary to meet current refunding
3 requirements under this act.

4 (c) (1) On January 1, 2023, the state treasurer shall credit 17% of the
5 revenue collected and received from the tax imposed by K.S.A. 79-3703,
6 and amendments thereto, at the rates provided in K.S.A. 79-3703, and
7 amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments
8 thereto, and deposited as provided by subsection (a), exclusive of amounts
9 credited pursuant to subsection (d), in the state highway fund.

10 (2) On ~~January 1, 2025~~ *October 1, 2024*, and thereafter, the state
11 treasurer shall credit 18% of the revenue collected and received from the
12 tax imposed by K.S.A. 79-3703, and amendments thereto, at the rates
13 provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2023
14 Supp. 79-3603d, and amendments thereto, and deposited as provided by
15 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
16 the state highway fund.

17 (d) The state treasurer shall credit all revenue collected or received
18 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as
19 certified by the director, from taxpayers doing business within that portion
20 of a redevelopment district occupied by a redevelopment project that was
21 determined by the secretary of commerce to be of statewide as well as
22 local importance or will create a major tourism area for the state as defined
23 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance
24 fund created by K.S.A. 79-3620(d), and amendments thereto. The
25 provisions of this subsection shall expire when the total of all amounts
26 credited hereunder and under K.S.A. 79-3620(d), and amendments thereto,
27 is sufficient to retire the special obligation bonds issued for the purpose of
28 financing all or a portion of the costs of such redevelopment project.

29 This subsection shall not apply to a project designated as a special bond
30 project as defined in K.S.A. 12-1770a(z), and amendments thereto.

31 (e) All revenue certified by the director of taxation as having been
32 collected or received from the tax imposed by K.S.A. 79-3603(c), and
33 amendments thereto, on the sale or furnishing of gas, water, electricity and
34 heat for use or consumption within the intermodal facility district
35 described in this subsection, shall be credited by the state treasurer to the
36 state highway fund. Such revenue may be transferred by the secretary of
37 transportation to the rail service improvement fund pursuant to law. The
38 provisions of this subsection shall take effect upon certification by the
39 secretary of transportation that a notice to proceed has been received for
40 the construction of the improvements within the intermodal facility
41 district, but not later than December 31, 2010, and shall expire when the
42 secretary of revenue determines that the total of all amounts credited
43 hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is

1 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all
2 revenues shall be collected and distributed in accordance with applicable
3 law. For all tax reporting periods during which the provisions of this
4 subsection are in effect, none of the exemptions contained in K.S.A. 79-
5 3601 et seq., and amendments thereto, shall apply to the sale or furnishing
6 of any gas, water, electricity and heat for use or consumption within the
7 intermodal facility district. As used in this subsection, "intermodal facility
8 district" shall consist of an intermodal transportation area as defined by
9 K.S.A. 12-1770a(o), and amendments thereto, located in Johnson county
10 within the polygonal-shaped area having Waverly Road as the eastern
11 boundary, 191st Street as the southern boundary, Four Corners Road as the
12 western boundary, and Highway 56 as the northern boundary, and the
13 polygonal-shaped area having Poplar Road as the eastern boundary, 183rd
14 Street as the southern boundary, Waverly Road as the western boundary,
15 and the BNSF mainline track as the northern boundary, that includes
16 capital investment in an amount exceeding \$150 million for the
17 construction of an intermodal facility to handle the transfer, storage and
18 distribution of freight through railway and trucking operations.

19 Sec. 16. K.S.A. 2023 Supp. 79-4508a is hereby amended to read as
20 follows: 79-4508a. (a) For tax year 2022, and all tax years thereafter, the
21 amount of any claim pursuant to this section shall be computed by
22 deducting the claimant's base year ad valorem tax amount for the
23 homestead from the claimant's homestead ad valorem tax amount for the
24 tax year for which the refund is sought. *This section shall be known and*
25 *may be cited as the homeowners' property tax freeze program.*

26 (b) As used in this section:

27 (1) "Base year" means the year in which an individual becomes an
28 eligible claimant and who is also eligible for a claim for refund pursuant to
29 this section. For any individual who would otherwise be an eligible
30 claimant prior to 2021, such base year shall be deemed to be 2021 for the
31 purposes of this act.

32 (2) "Claimant" means a person who has filed a claim under the
33 provisions of this act and was, during the entire calendar year preceding
34 the year in which such claim was filed for refund under this act, except as
35 provided in K.S.A. 79-4503, and amendments thereto, both domiciled in
36 this state and was: (A) A person who is 65 years of age or older; or (B) a
37 disabled veteran. The surviving spouse of a person 65 years of age or older
38 or a disabled veteran who was receiving benefits pursuant to this section at
39 the time of the claimant's death shall be eligible to continue to receive
40 benefits until such time the surviving spouse remarries.

41 (c) A claimant shall only be eligible for a claim for refund under this
42 section if:

43 (1) The claimant's household income for the year in which the claim

1 is filed is \$50,000 or less; and

2 (2) the appraised value of the claimant's homestead for the base year
3 is \$350,000 or less.

4 The provisions of K.S.A. 79-4522, and amendments thereto, shall not
5 apply to a claim pursuant to this section. In the case of all tax years
6 commencing after December 31, 2022, the upper limit household income
7 threshold amount prescribed in this subsection shall be increased by an
8 amount equal to such threshold amount multiplied by the cost-of-living
9 adjustment determined under section 1(f)(3) of the federal internal revenue
10 code for the calendar year in which the taxable year commences.

11 (d) A taxpayer shall not be eligible for a homestead property tax
12 refund claim pursuant to this section if such taxpayer has received for such
13 property for such tax year either: (1) A homestead property tax refund
14 pursuant to K.S.A. 79-4508, and amendments thereto; or (2) the selective
15 assistance for effective senior relief (SAFESR) credit pursuant to K.S.A.
16 79-32,263, and amendments thereto.

17 (e) The amount of any claim shall be computed to the nearest \$1.

18 (f) The provisions of this section shall be a part of and supplemental
19 to the homestead property tax refund act.

20 Sec. 17. K.S.A. 79-5a27, 79-1107, 79-1108 and 79-32,111c and
21 K.S.A. 2023 Supp. 72-5142, 79-201x, 79-2988, as amended by section 15
22 of 2024 Senate Bill No. 410, 79-32,117, as amended by section 14 of 2023
23 Senate Bill No. 27, 79-3603, 79-3603d, 79-3620, 79-3703, 79-3710 and
24 79-4508a are hereby repealed.

25 Sec. 18. This act shall take effect and be in force from and after its
26 publication in the statute book.