

KANSAS OFFICE of
REVISOR of STATUTES

LEGISLATURE of THE STATE of KANSAS

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MEMORANDUM

To: Madam Chairperson and Members of the Committee on Assessment and Taxation
From: Office of Revisor of Statutes
Date: March 22, 2023
Subject: Senate Bill No. 313

Summary

Senate Bill No. 313 relates to the SALT Parity Act and would clarify the determination of taxable income of an electing pass-through entity and provide for the passing through of tax credits to electing pass-through entity owners.

The bill would amend K.S.A. 2022 Supp. 79-32,287(a) to provide that the tax is calculated based on the sum of:

- (1) Each resident and nonresident electing pass-through entity owner's pro rata or distributive share of the electing pass-through entity's income attributable to the state; and
- (2) each resident electing pass-through entity owner's pro rata or distributive share of the electing pass-through entity's income not attributable to the state.

The bill would also amend subsection (c) to provide that tax credits attributable to the activities of the electing pass-through entity shall be passed through to and claimed by the electing pass-through entity owner.

The provisions would apply to taxable years commencing on or after January 1, 2022.

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