

## SENATE BILL No. 52

By Committee on Assessment and Taxation

1-18

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1 AN ACT concerning income taxation; relating to Kansas adjusted gross  
2 income; increasing the income limit to qualify for the subtraction  
3 modification for social security benefits; providing a subtraction  
4 modification for certain amounts received from retirement plans;  
5 amending K.S.A. 2022 Supp. 79-32,117 and repealing the existing  
6 section.

7  
8 *Be it enacted by the Legislature of the State of Kansas:*

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

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

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

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

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

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

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

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

24 (vii) The amount of any charitable contribution made to the extent the  
25 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-  
26 32,196, and amendments thereto.

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

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

37 (x) Amounts received as nonqualified withdrawals, as defined by  
38 K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a  
39 family postsecondary education savings account, such amounts were  
40 subtracted from the federal adjusted gross income pursuant to ~~K.S.A. 79-~~  
41 ~~32,117(c)(xv), and amendments thereto~~ subsection (c)(xv), or if such  
42 amounts are not already included in the federal adjusted gross income.

43 (xi) The amount of any contribution made to the same extent the

1 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-  
2 50,154, and amendments thereto.

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

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

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

18 (xv) The amount of any expenditures claimed for deduction in  
19 determining federal adjusted gross income, to the extent the same is  
20 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223  
21 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-  
22 32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-  
23 32,251 through 79-32,254, and amendments thereto.

24 (xvi) The amount of any amortization deduction claimed in  
25 determining federal adjusted gross income to the extent the same is  
26 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-  
27 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

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

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

42 (xix) For taxable years beginning after December 31, 2012, and  
43 ending before January 1, 2017, the amount of any: (1) Loss from business

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

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

25 (xxi) For taxable years beginning after December 31, 2012, and  
26 ending before January 1, 2017, the amount of any deduction for pension,  
27 profit sharing, and annuity plans of self-employed individuals under  
28 section 62(a)(6) of the federal internal revenue code as in effect on January  
29 1, 2012, and amendments thereto, in determining the federal adjusted gross  
30 income of an individual taxpayer.

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

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

41 (xxiv) For taxable years commencing after December 31, 2013, that  
42 portion of the amount of any expenditure deduction claimed in  
43 determining federal adjusted gross income for expenses paid for medical

1 care of the taxpayer or the taxpayer's spouse or dependents when such  
2 expenses were paid or incurred for an abortion, or for a health benefit plan,  
3 as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of  
4 an optional rider for coverage of abortion in accordance with K.S.A. 40-  
5 2,190, and amendments thereto, to the extent that such taxes and  
6 assessments are claimed as an itemized deduction for federal income tax  
7 purposes.

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

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

24 (xxvii) For all taxable years commencing after December 31, 2020,  
25 the amount deducted by reason of a carryforward of disallowed business  
26 interest pursuant to section 163(j) of the federal internal revenue code of  
27 1986, as in effect on January 1, 2018.

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

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

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

1 United States.

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

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

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

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

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

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

32 (viii) Amounts received by retired railroad employees as a  
33 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and  
34 228c(a)(1) et seq.

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

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

1 disallowances under 26 U.S.C. § 280C.

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

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

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

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

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

1 (xvi) For all taxable years beginning after December 31, 2004,  
2 amounts received by taxpayers who are or were members of the armed  
3 forces of the United States, including service in the Kansas army and air  
4 national guard, as a recruitment, sign up or retention bonus received by  
5 such taxpayer as an incentive to join, enlist or remain in the armed services  
6 of the United States, including service in the Kansas army and air national  
7 guard, and amounts received for repayment of educational or student loans  
8 incurred by or obligated to such taxpayer and received by such taxpayer as  
9 a result of such taxpayer's service in the armed forces of the United States,  
10 including service in the Kansas army and air national guard.

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

18 ~~(xviii) For the taxable year beginning after December 31, 2006,~~  
19 ~~amounts received as benefits under the federal social security act which~~  
20 ~~are included in federal adjusted gross income of a taxpayer with federal~~  
21 ~~adjusted gross income of \$50,000 or less, whether such taxpayer's filing~~  
22 ~~status is single, head of household, married filing separate or married filing~~  
23 ~~jointly; and (A) For all taxable years beginning after December 31, 2007,~~  
24 ~~and ending before January 1, 2023, amounts received as benefits under the~~  
25 ~~federal social security act which are included in federal adjusted gross~~  
26 ~~income of a taxpayer with federal adjusted gross income of \$75,000 or~~  
27 ~~less, whether such taxpayer's filing status is single, head of household,~~  
28 ~~married filing separate or married filing jointly.~~

29 *(B) For all taxable years beginning after December 31, 2022,*  
30 *amounts received as benefits under the federal social security act that are*  
31 *included in federal adjusted gross income of a taxpayer whether a*  
32 *taxpayer's filing status is single, head of household, married filing*  
33 *separate or married filing jointly, and the amount of the subtraction*  
34 *modification provided by this paragraph shall be calculated as follows:*

35 *Subtraction modification = social security income x social security*  
36 *taxable rate.*

37 *For purposes of this subparagraph:*

38 *(1) Social security income is the amount of benefits received under*  
39 *the social security act; and*

40 *(2) social security taxable rate shall be determined as follows:*

41 *(a) For taxpayers with federal adjusted gross income of \$75,000 or*  
42 *less, then the social security taxable rate is 1;*

43 *(b) for taxpayers with federal adjusted gross income greater than*



1 \$75,000 and less than the threshold, then the social security taxable rate  
2 shall be calculated as:  $1 - ((\text{federal adjusted gross income} - 75,000) /$   
3  $\text{denominator})$ ; and

4 (c) for taxpayers with federal adjusted gross income equal to or  
5 greater than the threshold, then the social security taxable rate is 0.

6 (d) (i) "Denominator" is equal to 10,000 for tax year 2023 and  
7 increases by 5,000 for each tax year thereafter.

8 (ii) "Threshold" is equal to \$85,000 for tax year 2023 and increases  
9 by \$5,000 for each tax year thereafter.

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

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

32 (xxi) For all taxable years beginning after December 31, 2013,  
33 amounts equal to the unreimbursed travel, lodging and medical  
34 expenditures directly incurred by a taxpayer while living, or a dependent  
35 of the taxpayer while living, for the donation of one or more human organs  
36 of the taxpayer, or a dependent of the taxpayer, to another person for  
37 human organ transplantation. The expenses may be claimed as a  
38 subtraction modification provided for in this section to the extent the  
39 expenses are not already subtracted from the taxpayer's federal adjusted  
40 gross income. In no circumstances shall the subtraction modification  
41 provided for in this section for any individual, or a dependent, exceed  
42 \$5,000. As used in this section, "human organ" means all or part of a liver,  
43 pancreas, kidney, intestine, lung or bone marrow. The provisions of this

1 paragraph shall take effect on the day the secretary of revenue certifies to  
2 the director of the budget that the cost for the department of revenue of  
3 modifications to the automated tax system for the purpose of  
4 implementing this paragraph will not exceed \$20,000.

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

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

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

25 (xxv) For all taxable years commencing after December 31, 2020,  
26 100% of global intangible low-taxed income under section 951A of the  
27 federal internal revenue code of 1986, before any deductions allowed  
28 under section 250(a)(1)(B) of such code.

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

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

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

43 (xxix) (A) *For all taxable years beginning after December 31, 2022,*

1 *the amounts received by retired individuals under all retirement plans to*  
2 *the extent included in federal adjusted gross income not to exceed \$2,000*  
3 *or \$4,000 for a married couple filing a joint return.*

4 *(B) In the case of all tax years commencing after December 31, 2023,*  
5 *the amounts prescribed in this paragraph shall be increased by an amount*  
6 *equal to such amount multiplied by the cost-of-living adjustment*  
7 *determined under section 1(f)(3) of the federal internal revenue code for*  
8 *the calendar year in which the taxable year commences.*

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

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

18 (f) No taxpayer shall be assessed penalties and interest from the  
19 underpayment of taxes due to changes to this section that became law on  
20 July 1, 2017, so long as such underpayment is rectified on or before April  
21 17, 2018.

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

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