

**HOUSE BILL No. 2320**

By Committee on Taxation

2-13

Proposed Amendments for HB 2320  
For Committee on Education  
March 11, 2013  
**Re: Limit to corporate tax credit**  
Prepared By: Eunice Peters  
Office of Revisor of Statutes

1 AN ACT concerning public charter schools; creating the Kansas public  
2 charter school act; amending K.S.A. 2012 Supp. 72-6407, 79-32, 117-  
3 and 79-32, 138 and repealing the existing sections; also repealing  
4 K.S.A. 72-1903, 72-1904, 72-1908, 72-1909 and 72-1911 and K.S.A.  
5 2012 Supp. 72-1906, 72-1907 and 72-1910.

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

8 New Section 1. The provisions of sections 1 through 27, and  
9 amendments thereto, shall be known and may be cited as the Kansas  
10 public charter school act.

11 New Sec. 2. (a) The legislature hereby finds and declares the  
12 following:

13 (1) The state of Kansas recognizes the establishment of public charter  
14 schools as necessary to improving the opportunities of all families to  
15 choose the public school that meets the needs of their children, and  
16 believes that public charter schools serve a distinct purpose in supporting  
17 innovations and best practices that can be adopted among all public  
18 schools.

19 (2) The state of Kansas recognizes that there must be a variety of  
20 public institutions that can authorize the establishment of public charter  
21 schools as defined by law, and recognizes that independent but publicly  
22 accountable multiple authorizing authorities, such as independent state  
23 entities or universities, contribute to the health and growth of strong and  
24 innovative public charter schools.

25 (b) The legislature hereby finds and declares that the purpose of this  
26 act is to do the following:

27 (1) Allow the creation of innovative public charter schools which  
28 may operate independently of state laws or rules and regulations, other  
29 than those specified in this act, deemed by the public charter school  
30 authorizer to hinder its goals to achieve at the highest level possible;

31 (2) establish that existing or new public entities may be created to  
32 approve and monitor public charter schools in addition to unified school  
33 district school boards; and

34 (3) remove procedural and funding barriers to public charter school  
35 success.

36 New Sec. 3. As used in sections 1 through 27, and amendments

1 New Sec. 25. The provisions of sections 1 through 27, and  
2 amendments thereto, should be interpreted liberally to support the findings  
3 and purposes of this section and to advance a renewed commitment by the  
4 state to the mission, goals and diversity of public education.

5 New Sec. 26. Notwithstanding any provision of law to the contrary, to  
6 the extent that any provision of sections 1 through 27, and amendments  
7 thereto, is inconsistent with any other state or local law, rule or regulation,  
8 the provisions of sections 1 through 27, and amendments thereto, shall  
9 govern and be controlling.

10 New Sec. 27. If any provisions of sections 1 through 27, and  
11 amendments thereto, or the application thereof to any person or  
12 circumstance is held invalid, the invalidity shall not affect other provisions  
13 or applications of sections 1 through 27, and amendments thereto, which  
14 can be given effect without the invalid provisions or application and, to  
15 this end, the provisions of sections 1 through 27, and amendments thereto,  
16 are severable.

17 New Sec. 28. (a) There shall be allowed a credit against the income  
18 tax liability imposed upon a taxpayer pursuant to the Kansas income tax  
19 act, the privilege tax liability imposed upon a taxpayer pursuant to the  
20 privilege tax imposed upon any national banking association, state bank,  
21 trust company or savings and loan association pursuant to article 11 of  
22 chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and  
23 the premium tax liability imposed upon a taxpayer pursuant to the  
24 premiums tax and privilege fees imposed upon an insurance company  
25 pursuant to K.S.A. 40-252, and amendments thereto, for tax years  
26 commencing after December 31, 2012, an amount equal to 100% of the  
27 amount contributed to a school district or public charter school, as defined  
28 in section 3, and amendments thereto.

29 (b) The credit shall be claimed and deducted from the taxpayer's tax  
30 liability during the tax year in which the contribution was made to the  
31 school district or public charter school.

32 (c) If the amount of any such tax credit claimed by a taxpayer  
33 exceeds the taxpayer's income, privilege or premium tax liability, such  
34 excess amount may be carried over for deduction from the taxpayer's  
35 income, privilege or premium tax liability in the next succeeding year or  
36 years until the total amount of the credit has been deducted from tax  
37 liability.

38 (d) The secretary shall adopt rules and regulations regarding the filing  
39 of documents that support the amount of credit claimed pursuant to this  
40 section.

41 Sec. 29. K.S.A. 2012 Supp. 72-6407 is hereby amended to read as  
42 follows: 72-6407. (a) (1) "Pupil" means any person who is regularly  
43 enrolled in a district and attending kindergarten or any of the grades one

corporate

1 K.S.A. 72-6412, and amendments thereto.

2 (s) "High density at-risk pupil weighting" means an addend  
3 component assigned to enrollment of districts to which the provisions of  
4 K.S.A. 2012 Supp. 72-6455, and amendments thereto, apply.

5 (t) "Nonprofit pupil" means a pupil who is not eligible for free  
6 meals under the national school lunch act and who has scored less than  
7 proficient on the mathematics or reading state assessment during the  
8 preceding school year and who is enrolled in a district which maintains an  
9 approved proficiency assistance plan.

10 (u) "Nonprofit pupil weighting" means an addend component  
11 assigned to enrollment of districts on the basis of enrollment of  
12 nonproficient pupils pursuant to K.S.A. 2012 Supp. 72-6454, and  
13 amendments thereto.

14 (v) "Psychiatric residential treatment facility" has the meaning  
15 ascribed thereto by K.S.A. 72-8187, and amendments thereto.

16 (w) "~~Medium density at-risk pupil weighting~~" means an addend  
17 component assigned to enrollment of districts to which the provisions of  
18 K.S.A. 2012 Supp. 72-6459, and amendments thereto, apply.

19 Sec. 30. ~~K.S.A. 2012 Supp. 79-32,117 is hereby amended to read as~~  
20 ~~follows: 79-32,117. (a) The Kansas adjusted gross income of an individual~~  
21 ~~means such individual's federal adjusted gross income for the taxable year,~~  
22 ~~with the modifications specified in this section.~~

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

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

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

Strike sec. 30; and renumber  
remaining subsections  
accordingly

- 1 (iii) The federal net operating loss deduction.
- 2 (iv) Federal income tax refunds received by the taxpayer if the
- 3 deduction of the taxes being refunded resulted in a tax benefit for Kansas
- 4 income tax purposes during a prior taxable year. Such refunds shall be
- 5 included in income in the year actually received regardless of the method
- 6 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall
- 7 be deemed to have resulted if the amount of the tax had been deducted in
- 8 determining income subject to a Kansas income tax for a prior year
- 9 regardless of the rate of taxation applied in such prior year to the Kansas
- 10 taxable income, but only that portion of the refund shall be included as
- 11 bears the same proportion to the total refund received as the federal taxes
- 12 deducted in the year to which such refund is attributable bears to the total
- 13 federal income taxes paid for such year. For purposes of the foregoing
- 14 sentence, federal taxes shall be considered to have been deducted only to
- 15 the extent such deduction does not reduce Kansas taxable income below
- 16 zero.
- 17 (v) The amount of any depreciation deduction or business expense
- 18 deduction claimed on the taxpayer's federal income tax return for any
- 19 capital expenditure in making any building or facility accessible to the
- 20 handicapped, for which expenditure the taxpayer claimed the credit
- 21 allowed by K.S.A. 79-32,177, and amendments thereto.
- 22 (vi) Any amount of designated employee contributions picked up by
- 23 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,
- 24 and amendments thereto.
- 25 (vii) The amount of any charitable contribution made to the extent the
- 26 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
- 27 32,196, and amendments thereto.
- 28 (viii) The amount of any costs incurred for improvements to a swine
- 29 facility, claimed for deduction in determining federal adjusted gross
- 30 income, to the extent the same is claimed as the basis for any credit
- 31 allowed pursuant to K.S.A. 2012 Supp. 79-32,204, and amendments
- 32 thereto.
- 33 (ix) The amount of any ad valorem taxes and assessments paid and
- 34 the amount of any costs incurred for habitat management or construction
- 35 and maintenance of improvements on real property, claimed for deduction
- 36 in determining federal adjusted gross income, to the extent the same is
- 37 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,
- 38 and amendments thereto.
- 39 (x) Amounts received as nonqualified withdrawals, as defined by
- 40 K.S.A. 2012 Supp. 75-643, and amendments thereto, if, at the time of
- 41 contribution to a family postsecondary education savings account, such
- 42 amounts were subtracted from the federal adjusted gross income pursuant
- 43 to paragraph (xv) of subsection (c) of K.S.A. 79-32,117, and amendments

1 thereto, or if such amounts are not already included in the federal adjusted  
2 gross income.

3 (xi) ~~The amount of any contribution made to the same extent the~~  
4 ~~same is claimed as the basis for the credit allowed pursuant to K.S.A. 2012~~  
5 ~~Supp. 74-50,154, and amendments thereto.~~

6 (xii) ~~For taxable years commencing after December 31, 2004,~~  
7 ~~amounts received as withdrawals not in accordance with the provisions of~~  
8 ~~K.S.A. 2012 Supp. 74-50,204, and amendments thereto, if, at the time of~~  
9 ~~contribution to an individual development account, such amounts were~~  
10 ~~subtracted from the federal adjusted gross income pursuant to paragraph~~  
11 ~~(xiii) of subsection (c), or if such amounts are not already included in the~~  
12 ~~federal adjusted gross income.~~

13 (xiii) ~~The amount of any expenditures claimed for deduction in~~  
14 ~~determining federal adjusted gross income, to the extent the same is~~  
15 ~~claimed as the basis for any credit allowed pursuant to K.S.A. 2012 Supp.~~  
16 ~~79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.~~

17 (xiv) ~~The amount of any amortization deduction claimed in~~  
18 ~~determining federal adjusted gross income to the extent the same is~~  
19 ~~claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,221, and~~  
20 ~~amendments thereto.~~

21 (xv) ~~The amount of any expenditures claimed for deduction in~~  
22 ~~determining federal adjusted gross income, to the extent the same is~~  
23 ~~claimed as the basis for any credit allowed pursuant to K.S.A. 2012 Supp.~~  
24 ~~79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233~~  
25 ~~through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-~~  
26 ~~32,248 or 79-32,251 through 79-32,254, and amendments thereto.~~

27 (xvi) ~~The amount of any amortization deduction claimed in~~  
28 ~~determining federal adjusted gross income to the extent the same is~~  
29 ~~claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,227, 79-~~  
30 ~~32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments~~  
31 ~~thereto.~~

32 (xvii) ~~The amount of any amortization deduction claimed in~~  
33 ~~determining federal adjusted gross income to the extent the same is~~  
34 ~~claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,256, and~~  
35 ~~amendments thereto.~~

36 (xviii) ~~For taxable years commencing after December 31, 2006, the~~  
37 ~~amount of any ad valorem or property taxes and assessments paid to a state~~  
38 ~~other than Kansas or local government located in a state other than Kansas~~  
39 ~~by a taxpayer who resides in a state other than Kansas, when the law of~~  
40 ~~such state does not allow a resident of Kansas who earns income in such~~  
41 ~~other state to claim a deduction for ad valorem or property taxes or~~  
42 ~~assessments paid to a political subdivision of the state of Kansas in~~  
43 ~~determining taxable income for income tax purposes in such other state, to~~

1 the extent that such taxes and assessments are claimed as an itemized  
2 deduction for federal income tax purposes.

3 (xix) For all taxable years beginning after December 31, 2012, the  
4 amount of any: (1) Loss from business as determined under the federal  
5 internal revenue code and reported from schedule C and on line 12 of the  
6 taxpayer's form 1040 federal individual income tax return; (2) loss from  
7 rental real estate, royalties, partnerships, S corporations, estates, trusts,  
8 residual interest in real estate mortgage investment conduits and net farm  
9 rental as determined under the federal internal revenue code and reported  
10 from schedule E and on line 17 of the taxpayer's form 1040 federal  
11 individual income tax return; and (3) farm loss as determined under the  
12 federal internal revenue code and reported from schedule F and on line 18  
13 of the taxpayer's form 1040 federal income tax return; all to the extent  
14 deducted or subtracted in determining the taxpayer's federal adjusted gross  
15 income. For purposes of this subsection, references to the federal form  
16 1040 and federal schedule C, schedule E, and schedule F, shall be to such  
17 form and schedules as they existed for tax year 2011, and as revised  
18 thereafter by the internal revenue service.

19 (xx) For all taxable years beginning after December 31, 2012, the  
20 amount of any deduction for self-employment taxes under section 164(f)  
21 of the federal internal revenue code as in effect on January 1, 2012, and  
22 amendments thereto, in determining the federal adjusted gross income of  
23 an individual taxpayer.

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

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

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

39 (xxiv) *The amount of any charitable contribution made to a school*  
40 *district or a public charter school to the extent the same is claimed as the*  
41 *basis for the credit allowed pursuant to section 28, and amendments*  
42 *thereto.*

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

1 (i) Interest or dividend income on obligations or securities of any  
2 authority, commission or instrumentality of the United States and its  
3 possessions less any related expenses directly incurred in the purchase of  
4 such obligations or securities, to the extent included in federal adjusted  
5 gross income but exempt from state income taxes under the laws of the  
6 United States.

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

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

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

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

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

32 (vii) Amounts received as annuities under the federal civil service  
33 retirement system from the civil service retirement and disability fund and  
34 other amounts received as retirement benefits in whatever form which  
35 were earned for being employed by the federal government or for service  
36 in the armed forces of the United States.

37 (viii) Amounts received by retired railroad employees as a  
38 supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and  
39 228c (a)(1) et seq.

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

1 amendments thereto.

2 (x) For taxable years beginning after December 31, 1976, the amount  
3 of the federal tentative jobs tax credit disallowance under the provisions of  
4 26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the  
5 amount of the targeted jobs tax credit and work incentive credit  
6 disallowances under 26 U.S.C. § 280 C.

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

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

13 (xiii) For taxable years beginning after December 31, 2004, amounts  
14 contributed to and the amount of income earned on contributions deposited  
15 to an individual development account under K.S.A. 2012 Supp. 74-50,201  
16 et seq, and amendments thereto.

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

30 (xv) For all taxable years beginning after December 31, 2006,  
31 amounts not exceeding \$3,000, or \$6,000 for a married couple filing a  
32 joint return, for each designated beneficiary which are contributed to a  
33 family postsecondary education savings account established under the  
34 Kansas postsecondary education savings program or a qualified tuition  
35 program established and maintained by another state or agency or  
36 instrumentality thereof pursuant to section 529 of the internal revenue  
37 code of 1986, as amended, for the purpose of paying the qualified higher  
38 education expenses of a designated beneficiary at an institution of  
39 postsecondary education. The terms and phrases used in this paragraph  
40 shall have the meaning respectively ascribed thereto by the provisions of  
41 K.S.A. 2012 Supp. 75-643, and amendments thereto, and the provisions of  
42 such section are hereby incorporated by reference for all purposes thereof.  
43 (xvi) For all taxable years beginning after December 31, 2004,

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

10 (xvii) For all taxable years beginning after December 31, 2004,  
11 amounts received by taxpayers who are eligible members of the Kansas  
12 army and air national guard as a reimbursement pursuant to K.S.A. 48-  
13 281, and amendments thereto, and amounts received for death benefits  
14 pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section  
15 1 or section 2 of chapter 207 of the 2005 session laws of Kansas, and  
16 amendments thereto, to the extent that such death benefits are included in  
17 federal adjusted gross income of the 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 for all taxable years beginning after December 31, 2007,  
24 amounts received as benefits under the federal social security act which  
25 are included in federal adjusted gross income of a taxpayer with federal  
26 adjusted gross income of \$75,000 or less, whether such taxpayer's filing  
27 status is single, head of household, married filing separate or married filing  
28 jointly.

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

31 (xx) For all taxable years beginning after December 31, 2012, the  
32 amount of any: (1) Net profit from business as determined under the  
33 federal internal revenue code and reported from schedule C and on line 12  
34 of the taxpayer's form 1040 federal individual income tax return; (2) net  
35 income from rental real estate, royalties, partnerships, S corporations,  
36 estates, trusts, residual interest in real estate mortgage investment conduits  
37 and net farm rental as determined under the federal internal revenue code  
38 and reported from schedule E and on line 17 of the taxpayer's form 1040  
39 federal individual income tax return; and (3) net farm profit as determined  
40 under the federal internal revenue code and reported from schedule F and  
41 on line 18 of the taxpayer's form 1040 federal income tax return; all to the  
42 extent included in the taxpayer's federal adjusted gross income. For  
43 purposes of this subsection, references to the federal form 1040 and

1 federal schedule C, schedule E, and schedule F, shall be to such form and  
2 schedules as they existed for tax year 2011 and as revised thereafter by the  
3 internal revenue service.

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

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

13 Sec. 31. K.S.A. 2012 Supp. 79-32,138 is hereby amended to read as  
14 follows: 79-32,138. (a) Kansas taxable income of a corporation taxable  
15 under this act shall be the corporation's federal taxable income for the  
16 taxable year with the modifications specified in this section.

17 (b) There shall be added to federal taxable income:

18 (i) The same modifications as are set forth in subsection (b) of K.S.A.  
19 79-32,117, and amendments thereto, with respect to resident individuals,  
20 except subsections (b)(ix), (b)(xx), (b)(xxi), (b)(xxii) and (b)(xxiii).

21 (ii) The amount of all depreciation deductions claimed for any  
22 property upon which the deduction allowed by K.S.A. 2012 Supp. 79-  
23 32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-  
24 32,255 or 79-32,256, and amendments thereto, is claimed.

25 (iii) The amount of any charitable contribution deduction claimed for  
26 any contribution or gift to or for the use of any racially segregated  
27 educational institution.

28 ~~(iv) The amount of any charitable contribution deduction claimed for  
29 any contribution or gift made to a school district or a public charter  
30 school to the extent the same is claimed as the basis for the credit allowed  
31 pursuant to section 28, and amendments thereto.~~

32 (c) There shall be subtracted from federal taxable income: (i) The  
33 same modifications as are set forth in subsection (c) of K.S.A. 79-32,117,  
34 and amendments thereto, with respect to resident individuals, except  
35 subsection (c)(xx).

36 (ii) The federal income tax liability for any taxable year commencing  
37 prior to December 31, 1971, for which a Kansas return was filed after  
38 reduction for all credits thereon, except credits for payments on estimates  
39 of federal income tax, credits for gasoline and lubricating oil tax, and for  
40 foreign tax credits if, on the Kansas income tax return for such prior year,  
41 the federal income tax deduction was computed on the basis of the federal  
42 income tax paid in such prior year, rather than as accrued. Notwithstanding  
43 the foregoing, the deduction for federal income tax liability for any year

1 shall not exceed that portion of the total federal income tax liability for  
2 such year which bears the same ratio to the total federal income tax  
3 liability for such year as the Kansas taxable income, as computed before  
4 any deductions for federal income taxes and after application of  
5 subsections (d) and (e) of this section as existing for such year, bears to the  
6 federal taxable income for the same year.

7 (iii) An amount for the amortization deduction allowed pursuant to  
8 K.S.A. 2012 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-  
9 32,249, 79-32,250, 79-32,255 or 79-32,256, and amendments thereto.

10 (iv) For all taxable years commencing after December 31, 1987, the  
11 amount included in federal taxable income pursuant to the provisions of  
12 section 78 of the internal revenue code.

13 (v) For all taxable years commencing after December 31, 1987, 80%  
14 of dividends from corporations incorporated outside of the United States  
15 or the District of Columbia which are included in federal taxable income.

16 (d) If any corporation derives all of its income from sources within  
17 Kansas in any taxable year commencing after December 31, 1979, its  
18 Kansas taxable income shall be the sum resulting after application of  
19 subsections (a) through (c) hereof. Otherwise, such corporation's Kansas  
20 taxable income in any such taxable year, after excluding any refunds of  
21 federal income tax and before the deduction of federal income taxes  
22 provided by subsection (c)(ii) shall be allocated as provided in K.S.A. 79-  
23 3271 to K.S.A. 79-3293, inclusive, and amendments thereto, plus any  
24 refund of federal income tax as determined under paragraph (iv) of  
25 subsection (b) of K.S.A. 79-32,117, and amendments thereto, and minus  
26 the deduction for federal income taxes as provided by subsection (c)(ii)  
27 shall be such corporation's Kansas taxable income.

28 (e) A corporation may make an election with respect to its first  
29 taxable year commencing after December 31, 1982, whereby no addition  
30 modifications as provided for in subsection (b)(ii) of K.S.A. 79-32,138,  
31 and amendments thereto, and subtraction modifications as provided for in  
32 subsection (c)(iii) of K.S.A. 79-32,138, and amendments thereto, as those  
33 subsections existed prior to their amendment by this act, shall be required  
34 to be made for such taxable year.

35 Sec. 32. K.S.A. 72-1903, 72-1904, 72-1908, 72-1909 and 72-1911  
36 and K.S.A. 2012 Supp. 72-1906, 72-1907, 72-1910, 72-6407, 79-32,117  
37 and 79-32,138 are hereby repealed.

38 Sec. 33. This act shall take effect and be in force from and after its  
39 publication in the statute book.

