

79-32,135. Share of a resident estate, trust, or beneficiary in Kansas fiduciary adjustments. (a) An adjustment shall be made in determining the Kansas taxable income of a resident estate or trust under K.S.A. 79-32,134, or the Kansas adjusted gross income of a resident beneficiary or any estate or trust under K.S.A. 79-32,117 (d), in the amount of the share of each in the Kansas fiduciary adjustment as determined in this section.

(b) The Kansas fiduciary adjustment shall be the net amount of the modifications described in K.S.A. 79-32,117 (b), (c), (d), (if the estate or trust is a beneficiary of another estate or trust), and 79-32,117 (e), and in K.S.A. 79-32,120 (b) and (c). The net amount of such modifications shall not include any modification described in K.S.A. 79-32,117 or 79-32,120 to the extent such items are excluded from federal distributable net income of the estate or trust.

(c) (i) The respective shares of an estate or trust and its beneficiaries (including, solely for the purpose of this allocation, nonresident and charitable beneficiaries) in the Kansas fiduciary adjustment shall be in proportion to their respective shares of the sum of federal distributable net income of the estate or trust and the amount paid or required to be paid to a charitable organization to the extent such amount is attributable to income for the current year.

(ii) If the estate or trust has no federal distributable net income for the taxable year, the share of each beneficiary in the Kansas fiduciary adjustment shall be in proportion to his or her share of the estate or trust income for such year, under local law or the governing instrument, which is required to be distributed currently and any other amounts of such income distributed in such year. Any balance of the Kansas fiduciary adjustment shall be allocated to the estate or trust.

(d) The director may, by regulation, establish such other method or methods of determining to whom the items comprising the fiduciary adjustment shall be attributed, as may be appropriate and equitable. Such method may be used by the fiduciary in his or her discretion whenever the allocation of the fiduciary adjustment, pursuant to K.S.A. 79-32,135 (c), would result in an inequity which is substantial both in amount and in relation to the amount of the fiduciary adjustment.

History: L. 1967, ch. 497, § 28; May 12.