

**HOUSE BILL No. 2405**

By Committee on Federal and State Affairs

2-10

1 AN ACT concerning legal tender; establishing the Kansas legal tender act;  
2 reaffirmation of gold and silver coin as legal tender; providing an  
3 income taxation subtraction modification for gains from the sale of  
4 specie; amending K.S.A. 2022 Supp. 79-32,117 and repealing the  
5 existing section.  
6

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

8 New Section 1. Sections 1 through 6, and amendments thereto, shall  
9 be known and may be cited as the Kansas legal tender act.

10 New Sec. 2. As used in the Kansas legal tender act:

11 (a) "Legal tender" means a recognized medium of exchange for the  
12 payment of debts and taxes; and

13 (b) "specie" means: (1) Coin having gold or silver content; or (2)  
14 refined gold or silver bullion that is coined, stamped or imprinted with its  
15 weight and purity and valued primarily based on its metal content and not  
16 its form.

17 New Sec. 3. Specie legal tender in Kansas consists of:

18 (a) Specie coin issued by the United States government at any time;  
19 or

20 (b) any other specie that a court of competent jurisdiction, by final  
21 and unappealable order, rules to be within state authority to make or  
22 designate as legal tender.

23 New Sec. 4. (a) No specie or legal tender shall be characterized as  
24 personal property for taxation or regulatory purposes.

25 (b) The exchange of one type or form of legal tender for another type  
26 or form of legal tender shall not give rise to any tax liability of any kind.

27 (c) The purchase, sale or exchange of any type or form of specie shall  
28 not give rise to any tax liability of any kind.

29 New Sec. 5. Unless expressly provided by statute or by contract, no  
30 person shall have the right to compel any other person to tender specie or  
31 to accept specie as tender.

32 New Sec. 6. (a) The attorney general shall enforce this act without  
33 prejudice to any private right of action.

34 (b) Kansas courts shall require specific performance as a remedy for  
35 breach of any contract designating a type or form of specie as tender.

36 Sec. 7. K.S.A. 2022 Supp. 79-32,117 is hereby amended to read as

1 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual  
2 means such individual's federal adjusted gross income for the taxable year,  
3 with the modifications specified in this section.

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

5 (i) Interest income less any related expenses directly incurred in the  
6 purchase of state or political subdivision obligations, to the extent that the  
7 same is not included in federal adjusted gross income, on obligations of  
8 any state or political subdivision thereof, but to the extent that interest  
9 income on obligations of this state or a political subdivision thereof issued  
10 prior to January 1, 1988, is specifically exempt from income tax under the  
11 laws of this state authorizing the issuance of such obligations, it shall be  
12 excluded from computation of Kansas adjusted gross income whether or  
13 not included in federal adjusted gross income. Interest income on  
14 obligations of this state or a political subdivision thereof issued after  
15 December 31, 1987, shall be excluded from computation of Kansas  
16 adjusted gross income whether or not included in federal adjusted gross  
17 income.

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

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

28 (iv) Federal income tax refunds received by the taxpayer if the  
29 deduction of the taxes being refunded resulted in a tax benefit for Kansas  
30 income tax purposes during a prior taxable year. Such refunds shall be  
31 included in income in the year actually received regardless of the method  
32 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall  
33 be deemed to have resulted if the amount of the tax had been deducted in  
34 determining income subject to a Kansas income tax for a prior year  
35 regardless of the rate of taxation applied in such prior year to the Kansas  
36 taxable income, but only that portion of the refund shall be included as  
37 bears the same proportion to the total refund received as the federal taxes  
38 deducted in the year to which such refund is attributable bears to the total  
39 federal income taxes paid for such year. For purposes of the foregoing  
40 sentence, federal taxes shall be considered to have been deducted only to  
41 the extent such deduction does not reduce Kansas taxable income below  
42 zero.

43 (v) The amount of any depreciation deduction or business expense

1 deduction claimed on the taxpayer's federal income tax return for any  
2 capital expenditure in making any building or facility accessible to the  
3 handicapped, for which expenditure the taxpayer claimed the credit  
4 allowed by K.S.A. 79-32,177, and amendments thereto.

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

8 (vii) The amount of any charitable contribution made to the extent the  
9 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-  
10 32,196, and amendments thereto.

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

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

21 (x) Amounts received as nonqualified withdrawals, as defined by  
22 K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a  
23 family postsecondary education savings account, such amounts were  
24 subtracted from the federal adjusted gross income pursuant to ~~K.S.A. 79-  
25 32,117(c)(xv), and amendments thereto~~, *subsection (c)(xv)* or if such  
26 amounts are not already included in the federal adjusted gross income.

27 (xi) The amount of any contribution made to the same extent the  
28 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-  
29 50,154, and amendments thereto.

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

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

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

1 thereto.

2 (xv) The amount of any expenditures claimed for deduction in  
3 determining federal adjusted gross income, to the extent the same is  
4 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223  
5 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-  
6 32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-  
7 32,251 through 79-32,254, and amendments thereto.

8 (xvi) The amount of any amortization deduction claimed in  
9 determining federal adjusted gross income to the extent the same is  
10 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-  
11 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

12 (xvii) 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. 79-32,256, and amendments  
15 thereto.

16 (xviii) For taxable years commencing after December 31, 2006, the  
17 amount of any ad valorem or property taxes and assessments paid to a state  
18 other than Kansas or local government located in a state other than Kansas  
19 by a taxpayer who resides in a state other than Kansas, when the law of  
20 such state does not allow a resident of Kansas who earns income in such  
21 other state to claim a deduction for ad valorem or property taxes or  
22 assessments paid to a political subdivision of the state of Kansas in  
23 determining taxable income for income tax purposes in such other state, to  
24 the extent that such taxes and assessments are claimed as an itemized  
25 deduction for federal income tax purposes.

26 (xix) For taxable years beginning after December 31, 2012, and  
27 ending before January 1, 2017, the amount of any: (1) Loss from business  
28 as determined under the federal internal revenue code and reported from  
29 schedule C and on line 12 of the taxpayer's form 1040 federal individual  
30 income tax return; (2) loss from rental real estate, royalties, partnerships, S  
31 corporations, except those with wholly owned subsidiaries subject to the  
32 Kansas privilege tax, estates, trusts, residual interest in real estate  
33 mortgage investment conduits and net farm rental as determined under the  
34 federal internal revenue code and reported from schedule E and on line 17  
35 of the taxpayer's form 1040 federal individual income tax return; and (3)  
36 farm loss as determined under the federal internal revenue code and  
37 reported from schedule F and on line 18 of the taxpayer's form 1040  
38 federal income tax return; all to the extent deducted or subtracted in  
39 determining the taxpayer's federal adjusted gross income. For purposes of  
40 this subsection, references to the federal form 1040 and federal schedule  
41 C, schedule E, and schedule F, shall be to such form and schedules as they  
42 existed for tax year 2011, and as revised thereafter by the internal revenue  
43 service.

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

9 (xxi) For taxable years beginning after December 31, 2012, and  
10 ending before January 1, 2017, the amount of any deduction for pension,  
11 profit sharing, and annuity plans of self-employed individuals under  
12 section 62(a)(6) of the federal internal revenue code as in effect on January  
13 1, 2012, and amendments thereto, in determining the federal adjusted gross  
14 income of an individual taxpayer.

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

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

25 (xxiv) For taxable years commencing after December 31, 2013, that  
26 portion of the amount of any expenditure deduction claimed in  
27 determining federal adjusted gross income for expenses paid for medical  
28 care of the taxpayer or the taxpayer's spouse or dependents when such  
29 expenses were paid or incurred for an abortion, or for a health benefit plan,  
30 as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of  
31 an optional rider for coverage of abortion in accordance with K.S.A. 40-  
32 2,190, and amendments thereto, to the extent that such taxes and  
33 assessments are claimed as an itemized deduction for federal income tax  
34 purposes.

35 (xxv) For taxable years commencing after December 31, 2013, that  
36 portion of the amount of any expenditure deduction claimed in  
37 determining federal adjusted gross income for expenses paid by a taxpayer  
38 for health care when such expenses were paid or incurred for abortion  
39 coverage, a health benefit plan, as defined in K.S.A. 65-6731, and  
40 amendments thereto, when such expenses were paid or incurred for  
41 abortion coverage or amounts contributed to health savings accounts for  
42 such taxpayer's employees for the purchase of an optional rider for  
43 coverage of abortion in accordance with K.S.A. 40-2,190, and

1 amendments thereto, to the extent that such taxes and assessments are  
2 claimed as a deduction for federal income tax purposes.

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

8 (xxvii) For all taxable years commencing after December 31, 2020,  
9 the amount deducted by reason of a carryforward of disallowed business  
10 interest pursuant to section 163(j) of the federal internal revenue code of  
11 1986, as in effect on January 1, 2018.

12 (xxviii) For all taxable years beginning after December 31, 2021, the  
13 amount of any contributions to, or earnings from, a first-time home buyer  
14 savings account if distributions from the account were not used to pay for  
15 expenses or transactions authorized pursuant to K.S.A. 2022 Supp. 58-  
16 4904, and amendments thereto, or were not held for the minimum length  
17 of time required pursuant to K.S.A. 2022 Supp. 58-4904, and amendments  
18 thereto. Contributions to, or earnings from, such account shall also include  
19 any amount resulting from the account holder not designating a surviving  
20 transfer on death beneficiary pursuant to K.S.A. 2022 Supp. 58-4904(e),  
21 and amendments thereto.

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

23 (i) Interest or dividend income on obligations or securities of any  
24 authority, commission or instrumentality of the United States and its  
25 possessions less any related expenses directly incurred in the purchase of  
26 such obligations or securities, to the extent included in federal adjusted  
27 gross income but exempt from state income taxes under the laws of the  
28 United States.

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

32 (iii) The portion of any gain or loss from the sale or other disposition  
33 of property having a higher adjusted basis for Kansas income tax purposes  
34 than for federal income tax purposes on the date such property was sold or  
35 disposed of in a transaction in which gain or loss was recognized for  
36 purposes of federal income tax that does not exceed such difference in  
37 basis, but if a gain is considered a long-term capital gain for federal  
38 income tax purposes, the modification shall be limited to that portion of  
39 such gain which is included in federal adjusted gross income.

40 (iv) The amount necessary to prevent the taxation under this act of  
41 any annuity or other amount of income or gain which was properly  
42 included in income or gain and was taxed under the laws of this state for a  
43 taxable year prior to the effective date of this act, as amended, to the

1 taxpayer, or to a decedent by reason of whose death the taxpayer acquired  
2 the right to receive the income or gain, or to a trust or estate from which  
3 the taxpayer received the income or gain.

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

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

11 (vii) Amounts received as annuities under the federal civil service  
12 retirement system from the civil service retirement and disability fund and  
13 other amounts received as retirement benefits in whatever form which  
14 were earned for being employed by the federal government or for service  
15 in the armed forces of the United States.

16 (viii) Amounts received by retired railroad employees as a  
17 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and  
18 228c(a)(1) et seq.

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

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

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

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

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

39 (xiv) For all taxable years commencing after December 31, 1996, that  
40 portion of any income of a bank organized under the laws of this state or  
41 any other state, a national banking association organized under the laws of  
42 the United States, an association organized under the savings and loan  
43 code of this state or any other state, or a federal savings association

1 organized under the laws of the United States, for which an election as an  
2 S corporation under subchapter S of the federal internal revenue code is in  
3 effect, which accrues to the taxpayer who is a stockholder of such  
4 corporation and which is not distributed to the stockholders as dividends of  
5 the corporation. For taxable years beginning after December 31, 2012, and  
6 ending before January 1, 2017, the amount of modification under this  
7 subsection shall exclude the portion of income or loss reported on schedule  
8 E and included on line 17 of the taxpayer's form 1040 federal individual  
9 income tax return.

10 (xv) For all taxable years beginning after December 31, 2017, the  
11 cumulative amounts not exceeding \$3,000, or \$6,000 for a married couple  
12 filing a joint return, for each designated beneficiary that are contributed to:  
13 (1) A family postsecondary education savings account established under  
14 the Kansas postsecondary education savings program or a qualified tuition  
15 program established and maintained by another state or agency or  
16 instrumentality thereof pursuant to section 529 of the internal revenue  
17 code of 1986, as amended, for the purpose of paying the qualified higher  
18 education expenses of a designated beneficiary; or (2) an achieving a  
19 better life experience (ABLE) account established under the Kansas ABLE  
20 savings program or a qualified ABLE program established and maintained  
21 by another state or agency or instrumentality thereof pursuant to section  
22 529A of the internal revenue code of 1986, as amended, for the purpose of  
23 saving private funds to support an individual with a disability. The terms  
24 and phrases used in this paragraph shall have the meaning respectively  
25 ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and  
26 amendments thereto, and the provisions of such sections are hereby  
27 incorporated by reference for all purposes thereof.

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

38 (xvii) For all taxable years beginning after December 31, 2004,  
39 amounts received by taxpayers who are eligible members of the Kansas  
40 army and air national guard as a reimbursement pursuant to K.S.A. 48-  
41 281, and amendments thereto, and amounts received for death benefits  
42 pursuant to K.S.A. 48-282, and amendments thereto, to the extent that  
43 such death benefits are included in federal adjusted gross income of the



1 taxpayer.

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

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

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

35 (xxi) For all taxable years beginning after December 31, 2013,  
36 amounts equal to the unreimbursed travel, lodging and medical  
37 expenditures directly incurred by a taxpayer while living, or a dependent  
38 of the taxpayer while living, for the donation of one or more human organs  
39 of the taxpayer, or a dependent of the taxpayer, to another person for  
40 human organ transplantation. The expenses may be claimed as a  
41 subtraction modification provided for in this section to the extent the  
42 expenses are not already subtracted from the taxpayer's federal adjusted  
43 gross income. In no circumstances shall the subtraction modification

1 provided for in this section for any individual, or a dependent, exceed  
2 \$5,000. As used in this section, "human organ" means all or part of a liver,  
3 pancreas, kidney, intestine, lung or bone marrow. The provisions of this  
4 paragraph shall take effect on the day the secretary of revenue certifies to  
5 the director of the budget that the cost for the department of revenue of  
6 modifications to the automated tax system for the purpose of  
7 implementing this paragraph will not exceed \$20,000.

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

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

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

28 (xxv) For all taxable years commencing after December 31, 2020,  
29 100% of global intangible low-taxed income under section 951A of the  
30 federal internal revenue code of 1986, before any deductions allowed  
31 under section 250(a)(1)(B) of such code.

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

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

40 (xxviii) For all taxable years beginning after December 31, 2021: (1)  
41 The amount contributed to a first-time home buyer savings account  
42 pursuant to K.S.A. 2022 Supp. 58-4903, and amendments thereto, in an  
43 amount not to exceed \$3,000 for an individual or \$6,000 for a married

1 couple filing a joint return; or (2) amounts received as income earned from  
2 assets in a first-time home buyer savings account.

3 *(xxix) For taxable years commencing after December 31, 2022, the*  
4 *amount of any net gain from the sale of specie, as defined in section 2, and*  
5 *amendments thereto.*

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

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

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

19 Sec. 8. K.S.A. 2022 Supp. 79-32,117 is hereby repealed.

20 Sec. 9. This act shall take effect and be in force from and after its  
21 publication in the statute book.