

SESSION OF 2024

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 360**

As Amended by Senate Committee on  
Education

**Brief\***

SB 360, as amended, would allow taxpayers to elect the year in which a subtraction modification would occur for contributions to qualified Achieving a Better Life Experience (ABLE) accounts, qualified 529 program accounts, and first-time home buyers savings accounts and would authorize the State Treasurer to establish a 529 Program Advisory Committee.

The bill would be in effect upon publication in the *Kansas Register*.

***Contributions; Election of Tax Year***

The bill would allow individuals contributing to an ABLE account, 529 program account, and first-time home buyers, between January 1 and the tax filing deadline, to choose the tax year to take the individual income tax subtraction modification. The choice would be to either take the subtraction modification in the current tax year or in the previous tax year. This is consistent with the time frame taxpayers can choose to deduct taxes for contributions such as individual retirement accounts and health savings accounts.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

### **529 Program Advisory Committee**

The bill would also authorize the State Treasurer to appoint a 529 Program Advisory Committee (Advisory Committee) to make recommendations for the implementation and operation of the program. The State Treasurer would select the membership of the Advisory Committee, and members would serve at the pleasure of the State Treasurer. The bill would provide that no member of the Advisory Committee could receive any compensation, substance, mileage, or other allowance for their service.

[*Note:* An ABLÉ account (529A ABLÉ account) is a tax-advantaged savings account to which contributions can be made to meet the qualified disability expenses of the owner or designated beneficiary. A 529 Education Savings Account is a tax-advantaged savings account designed to help designated individuals pay for qualified educational and career advancement expenses. Kansas first-time home buyer savings accounts allow Kansas residents to save money to purchase a first home for themselves or a designated beneficiary.]

### **Background**

The bill was introduced by the Senate Committee on Education at the request of Senator Warren.

### **Senate Committee on Education**

In the Senate Committee hearing on January 31, 2024, Senator Warren, the State Treasurer, and a representative of Interhab provided **proponent** testimony, stating generally that the bill provides flexibility to elect to have contributions count toward the prior tax year in the same manner as Roth and Traditional IRAs. The State Treasurer also indicated the bill would codify the Treasurer's Advisory Council for the Kansas Learning Quest 529 program and continue oversight of and

discussion on improvements for account owners and beneficiaries.

Written-only proponent testimony was submitted by representatives of the Kansas Council on Developmental Disabilities and Kansas Society of Certified Public Accountants and.

The Senate Committee adopted a technical amendment to use the name 529 Program Advisory Committee consistently in the bill.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue estimates a State General Fund reduction of \$100,000 in revenue due to taxpayers better utilizing tax advantages of contributions.

Education; taxation; ABLE account; 529 program account; first-time home buyer savings account; taxable year; subtraction modification