

HOUSE BILL No. 2642

By Committee on Taxation

Requested by Representative A. Smith

2-3

1 AN ACT concerning income taxation; relating to addition and subtraction
2 modifications; removing obsolete reference to global intangible low-
3 taxed income provided for under the federal internal revenue code;
4 amending K.S.A. 2025 Supp. 79-32,117 and repealing the existing
5 section.
6

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

8 Section 1. K.S.A. 2025 Supp. 79-32,117 is hereby amended to read as
9 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual
10 means such individual's federal adjusted gross income for the taxable year,
11 with the modifications specified in this section.

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

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

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

33 (iii) The federal net operating loss deduction, except that the federal
34 net operating loss deduction shall not be added to an individual's federal
35 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 subsection
41 (c)(xv) or if such amounts are not already included in the federal adjusted
42 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 of any interest expense paid or accrued in a previous taxable
26 year but allowed as a deduction pursuant to section 163 of the federal
27 internal revenue code in the current taxable year by reason of the
28 carryforward of disallowed business interest pursuant to section 163(j) of
29 the federal internal revenue code. For purposes of this paragraph, an
30 interest expense is considered paid or accrued only in the first taxable year
31 the deduction would have been allowable pursuant to section 163 of the
32 federal internal revenue code if the limitation pursuant to section 163(j) of
33 the federal internal revenue code did not exist.

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

1 (xxix) For all taxable years beginning after December 31, 2024, the
2 amount of any contributions to, or earnings from, an adoption savings
3 account if distributions from the account were not used to pay for expenses
4 or transactions authorized pursuant to K.S.A. 2025 Supp. 38-2504, and
5 amendments thereto, or were not held for the minimum length of time
6 required pursuant to K.S.A. 2025 Supp. 38-2504, and amendments thereto.
7 Contributions to, or earnings from, such account shall also include any
8 amount resulting from the account holder not designating a surviving
9 payable on death beneficiary pursuant to K.S.A. 2025 Supp. 38-2504(e),
10 and amendments thereto.

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

12 (i) Interest or dividend income on obligations or securities of any
13 authority, commission or instrumentality of the United States and its
14 possessions less any related expenses directly incurred in the purchase of
15 such obligations or securities, to the extent included in federal adjusted
16 gross income but exempt from state income taxes under the laws of the
17 United States.

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

21 (iii) The portion of any gain or loss from the sale or other disposition
22 of property having a higher adjusted basis for Kansas income tax purposes
23 than for federal income tax purposes on the date such property was sold or
24 disposed of in a transaction in which gain or loss was recognized for
25 purposes of federal income tax that does not exceed such difference in
26 basis, but if a gain is considered a long-term capital gain for federal
27 income tax purposes, the modification shall be limited to that portion of
28 such gain which is included in federal adjusted gross income.

29 (iv) The amount necessary to prevent the taxation under this act of
30 any annuity or other amount of income or gain which was properly
31 included in income or gain and was taxed under the laws of this state for a
32 taxable year prior to the effective date of this act, as amended, to the
33 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
34 the right to receive the income or gain, or to a trust or estate from which
35 the taxpayer received the income or gain.

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

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

43 (vii) Amounts received as annuities under the federal civil service

1 retirement system from the civil service retirement and disability fund and
2 other amounts received as retirement benefits in whatever form which
3 were earned for being employed by the federal government or for service
4 in the armed forces of the United States.

5 (viii) Amounts received by retired railroad employees as a
6 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and
7 228c(a)(1) et seq.

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

13 (x) (1) For taxable years beginning after December 31, 2021, the
14 amount of any federal credit disallowance under the provisions of 26
15 U.S.C. § 280C(a).

16 (2) For taxable years beginning after December 31, 2019, and ending
17 before January 1, 2022, 50% of the amount of the federal employee
18 retention credit disallowance under rules similar to the rules of 26 U.S.C. §
19 280C(a). The taxpayer shall be required to prove that such taxpayer
20 previously filed Kansas income tax returns and paid Kansas income tax on
21 the disallowed amount. Notwithstanding any other provision of law to the
22 contrary, any claim for refund or amended return relating to this
23 subparagraph shall be allowed to be filed on or before April 15, 2025, and
24 no claim for refund or amended return shall be allowed or filed after April
25 15, 2025.

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

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

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

36 (xiv) For all taxable years commencing after December 31, 1996, that
37 portion of any income of a bank organized under the laws of this state or
38 any other state, a national banking association organized under the laws of
39 the United States, an association organized under the savings and loan
40 code of this state or any other state, or a federal savings association
41 organized under the laws of the United States, for which an election as an
42 S corporation under subchapter S of the federal internal revenue code is in
43 effect, which accrues to the taxpayer who is a stockholder of such

1 corporation and which is not distributed to the stockholders as dividends of
2 the corporation. For taxable years beginning after December 31, 2012, and
3 ending before January 1, 2017, the amount of modification under this
4 subsection shall exclude the portion of income or loss reported on schedule
5 E and included on line 17 of the taxpayer's form 1040 federal individual
6 income tax return.

7 (xv) The cumulative amounts not exceeding \$3,000, or \$6,000 for a
8 married couple filing a joint return, for each designated beneficiary that
9 are contributed to: (1) A family postsecondary education savings account
10 established under the Kansas postsecondary education savings program or
11 a qualified tuition program established and maintained by another state or
12 agency or instrumentality thereof pursuant to section 529 of the internal
13 revenue code of 1986, as amended, for the purpose of paying the qualified
14 higher education expenses of a designated beneficiary; or (2) an achieving
15 a better life experience (ABLE) account established under the Kansas
16 ABLE savings program or a qualified ABLE program established and
17 maintained by another state or agency or instrumentality thereof pursuant
18 to section 529A of the internal revenue code of 1986, as amended, for the
19 purpose of saving private funds to support an individual with a disability.
20 The terms and phrases used in this paragraph shall have the meaning
21 respectively ascribed thereto by the provisions of K.S.A. 75-643 and 75-
22 652, and amendments thereto, and the provisions of such sections are
23 hereby incorporated by reference for all purposes thereof. For all taxable
24 years beginning after December 31, 2022, contributions made to a
25 qualified tuition program account or a qualified ABLE program account
26 pursuant to this paragraph on and after January 1 but prior to the date
27 required for filing a return pursuant to K.S.A. 79-3221, and amendments
28 thereto, of the successive taxable year may be elected by the taxpayer to
29 apply to the prior taxable year if such election is made at the time of filing
30 the return. No contribution shall be used as a modification pursuant to this
31 paragraph in more than one taxable year.

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

42 (xvii) For all taxable years beginning after December 31, 2004,
43 amounts received by taxpayers who are eligible members of the Kansas

1 army and air national guard as a reimbursement pursuant to K.S.A. 48-
2 281, and amendments thereto, and amounts received for death benefits
3 pursuant to K.S.A. 48-282, and amendments thereto, to the extent that
4 such death benefits are included in federal adjusted gross income of the
5 taxpayer.

6 (xviii) (A) For all taxable years beginning after December 31, 2007,
7 and ending before January 1, 2024, amounts received as benefits under the
8 federal social security act which are included in federal adjusted gross
9 income of a taxpayer with federal adjusted gross income of \$75,000 or
10 less, whether such taxpayer's filing status is single, head of household,
11 married filing separate or married filing jointly.

12 (B) For all taxable years beginning after December 31, 2023, amounts
13 received as benefits under the federal social security act that are included
14 in federal adjusted gross income of a taxpayer.

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

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

37 (xxi) For all taxable years beginning after December 31, 2013,
38 amounts equal to the unreimbursed travel, lodging and medical
39 expenditures directly incurred by a taxpayer while living, or a dependent
40 of the taxpayer while living, for the donation of one or more human organs
41 of the taxpayer, or a dependent of the taxpayer, to another person for
42 human organ transplantation. The expenses may be claimed as a
43 subtraction modification provided for in this section to the extent the

1 expenses are not already subtracted from the taxpayer's federal adjusted
2 gross income. In no circumstances shall the subtraction modification
3 provided for in this section for any individual, or a dependent, exceed
4 \$5,000. As used in this section, "human organ" means all or part of a liver,
5 pancreas, kidney, intestine, lung or bone marrow. The provisions of this
6 paragraph shall take effect on the day the secretary of revenue certifies to
7 the director of the budget that the cost for the department of revenue of
8 modifications to the automated tax system for the purpose of
9 implementing this paragraph will not exceed \$20,000.

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

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

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

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

34 (xxvi) (1) For all taxable years commencing after December 31,
35 2020, the amount of any interest expense paid or accrued in the current
36 taxable year and disallowed as a deduction pursuant to section 163(j) of
37 the federal internal revenue code.

38 (2) For purposes of this paragraph, an interest expense is considered
39 paid or accrued only in the first taxable year the deduction would have
40 been allowable pursuant to section 163 of the federal internal revenue code
41 if the limitation pursuant to section 163(j) of the federal internal revenue
42 code did not exist.

43 (3) For tax year 2021, an amount equal to the sum of any interest

1 expenses paid or accrued in tax years 2018, 2019 and 2020 less the sum of
2 amounts allowed as a deduction pursuant to section 163 of the federal
3 internal revenue code in tax years 2018, 2019 and 2020.

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

9 (xxviii) For all taxable years beginning after December 31, 2021: (1)
10 The amount contributed to a first-time home buyer savings account
11 pursuant to K.S.A. 58-4903, and amendments thereto, in an amount not to
12 exceed \$3,000 for an individual or \$6,000 for a married couple filing a
13 joint return; or (2) amounts received as income earned from assets in a
14 first-time home buyer savings account. For all taxable years beginning
15 after December 31, 2022, contributions made to a first-time home buyer
16 savings account pursuant to subparagraph (1) on and after January 1 but
17 prior to the date required for filing a return pursuant to K.S.A. 79-3221,
18 and amendments thereto, of the successive taxable year may be elected by
19 the taxpayer to apply to the prior taxable year if such election is made at
20 the time of filing the return. No contribution shall be used as a
21 modification pursuant to subparagraph (1) in more than one taxable year.

22 (xxix) For taxable years beginning after December 31, 2017, for an
23 individual taxpayer who carried back federal net operating losses arising in
24 a taxable year beginning after December 31, 2017, and before January 1,
25 2021, pursuant to section 172(b)(1) of the federal internal revenue code as
26 amended by the coronavirus aid, relief, and economic security act
27 (CARES act), the amount of such federal net operating loss carryback for
28 each applicable year. If the amount of such federal net operating loss
29 carryback exceeds the taxpayer's Kansas adjusted gross income for such
30 taxable year, the amount thereof that exceeds such Kansas adjusted gross
31 income may be carried forward as a subtraction modification in the
32 following taxable year or years until the total amount of such federal net
33 operating loss carryback has been deducted, except that no such unused
34 amount shall be carried forward for deduction as a subtraction
35 modification after the 20th taxable year following the taxable year of the
36 net operating loss. Notwithstanding any other provision of law to the
37 contrary, an extension of time shall be allowed for a claim for refund or
38 amended return for tax years 2018, 2019 or 2020 limited to the application
39 of the provisions of this paragraph and such claim for refund or amended
40 return must be filed on or before April 15, 2025.

41 (xxx) For all taxable years beginning after December 31, 2024: (1)
42 The amount contributed to an adoption savings account pursuant to K.S.A.
43 2025 Supp. 38-2503, and amendments thereto, in an amount not to exceed

1 \$6,000 for an individual or \$12,000 for a married couple filing a joint
2 return; or (2) amounts received as income earned from assets in an
3 adoption savings account.

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. 2. K.S.A. 2025 Supp. 79-32,117 is hereby repealed.

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