

**SENATE BILL No. 296**

By Committee on Assessment and Taxation

3-12

1 AN ACT concerning the department of revenue; eliminating certain tax  
2 credits, exemptions, incentives, refunds and limitations, a transitional  
3 adjustment, a checkoff and a restoration program administered by the  
4 secretary that have expired or are no longer applicable; providing  
5 certain technical changes to remove or modify statutory cross  
6 references; amending K.S.A. 74-50,136, 74-8947, 75-3712, 75-4275,  
7 79-225, 79-255 and 79-32,140a and K.S.A. 2024 Supp. 79-32,117, 79-  
8 32,143a and 79-32,160a; also repealing K.S.A. 75-3713e, 79-201h, 79-  
9 1705, 79-3221f, 79-3288a, 79-32,117a, 79-32,117b, 79-32,117c, 79-  
10 32,117d, 79-32,117e, 79-32,140, 79-32,160b, 79-32,181, 79-32,181a,  
11 79-32,192, 79-32,193, 79-32,206, 79-32,214, 79-32,215, 79-32,238,  
12 79-32,239, 79-32,240, 79-32,241, 79-32,244, 79-32,257, 79-32,258,  
13 79-32,259, 79-32,260, 79-32,262, 79-32,264 and 79-32,272 and K.S.A.  
14 2024 Supp. 79-32,203.

15

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

17 Section 1. K.S.A. 74-50,136 is hereby amended to read as follows:  
18 74-50,136. (a) The provisions of this section shall be known and may be  
19 cited as the "economic revitalization and reinvestment act."

20 (b) The purpose of the economic revitalization and reinvestment act is  
21 to foster Kansas employment by encouraging product development and  
22 engineering leading to new manufactured products in Kansas.

23 (c) As used in this act:

24 (1) "Base eligibility period" means the three taxable years  
25 immediately preceding the date of application for benefits under this act.

26 (2) "Eligible aviation business" means a person, corporation,  
27 partnership or other entity engaged in the aviation manufacturing or  
28 service industry and doing business in Kansas that satisfies conditions  
29 imposed by the secretary, which may include, among other conditions, that  
30 the person, corporation, partnership or other entity:

31 (A) Paid at least \$150,000,000 in average annual gross Kansas  
32 compensation, according to reports filed with the secretary of labor, during  
33 the base eligibility period;

34 (B) paid at least \$50,000 of average annual gross compensation per  
35 Kansas employee during the base eligibility period;

36 (C) has invested at least \$500,000,000 in real and tangible personal

1 property located within and currently used in the operation of a business in  
2 Kansas; and

3 (D) is described by the north American industrial classification  
4 system as being in the manufacturing or service sector.

5 (3) "Eligible aviation project" means a research, development,  
6 engineering or manufacturing project:

7 (A) Undertaken by an eligible aviation business relating to the  
8 development of a new or improved business component or product and  
9 may include, but not be limited to, product development and design,  
10 applied research, manufacturing, improvement, replacement or acquisition  
11 of real or personal property and modernization and retooling of existing  
12 property in Kansas;

13 (B) for which the eligible aviation business proposes to invest not less  
14 than \$500,000,000 in Kansas in direct connection with the eligible aviation  
15 project of not less than \$500,000,000 in Kansas; and

16 (C) for which the eligible aviation business proposes to employ up to  
17 4,000 full-time employees in Kansas, as defined in K.S.A. 74-50,114, and  
18 amendments thereto.

19 (4) "Eligible business" means a person, corporation, partnership or  
20 other entity doing business in Kansas that satisfies conditions imposed by  
21 the secretary, which may include, among other conditions, that the person,  
22 corporation, partnership or other entity:

23 (A) Paid at least \$600,000,000 in average annual gross Kansas  
24 compensation, according to reports filed with the secretary of labor, during  
25 the base eligibility period; ~~and~~

26 (B) paid at least \$50,000 of average annual gross compensation per  
27 Kansas employee during the base eligibility period; ~~and~~

28 (C) has invested at least \$1,000,000,000 in real and tangible personal  
29 property located within and currently used in the operation of a business in  
30 Kansas; and

31 (D) is described by North American industrial classification system as  
32 being in the manufacturing sector.

33 (5) "Eligible project" means a research, development, engineering or  
34 manufacturing project:

35 (A) Undertaken by an eligible business relating to the development of  
36 a new or improved business component or product and may include, but  
37 not be limited to, product development and design, applied research,  
38 manufacturing, improvement, replacement or acquisition of real or  
39 personal property and modernization and retooling of existing property in  
40 Kansas;

41 (B) for which the eligible business proposes to invest not less than  
42 \$500,000,000 in Kansas in direct connection with the eligible project of  
43 not less than \$500,000,000 in Kansas; and

1 (C) for which the eligible business proposes to employ up to 4,000  
2 full-time employees in Kansas, as defined in K.S.A. 74-50,114, and  
3 amendments thereto.

4 (6) "Eligible wind or solar energy business" means a person,  
5 corporation, partnership or other entity engaged in the wind or solar energy  
6 manufacturing industry and doing business in Kansas that satisfies  
7 conditions imposed by the secretary, which may include among other  
8 conditions, that the person, corporation, partnership or other entity:

9 (A) Pay at least \$32,500 of average annual compensation per Kansas  
10 employee; and

11 (B) is described by the North American industrial classification  
12 system as being in the manufacturing sector.

13 (7) "Eligible wind or solar energy project" means a research,  
14 development, engineering or manufacturing project:

15 (A) Undertaken by an eligible wind or solar energy business relating  
16 to the production of a business component or product and may include, but  
17 not be limited to, product development and design, applied research,  
18 manufacturing, improvement, replacement or acquisition of real or  
19 personal property and modernization and retooling of existing property in  
20 Kansas;;

21 (B) for which the eligible wind or solar energy business proposes to  
22 invest not less than \$30,000,000 in Kansas in direct connection with the  
23 eligible wind or solar energy project of not less than \$30,000,000 in  
24 Kansas; and

25 (C) for which the eligible wind or solar energy business proposes to  
26 employ at least 200 full-time employees in Kansas within five years, as  
27 defined in K.S.A. 74-50,114, and amendments thereto.

28 (8) "Gross compensation" means gross wages and benefits paid to or  
29 on behalf of employees receiving wages.

30 (9) "Secretary" means the secretary of commerce.

31 (d) A person, corporation, partnership or other entity proposing to  
32 undertake an eligible project, eligible aviation project or eligible wind or  
33 solar energy project may apply to the secretary to enter into an agreement  
34 for benefits under this act. The application shall include ~~(1)~~ evidence that  
35 the applicant is an "eligible business," "eligible aviation business" or  
36 "eligible wind or solar energy business" as defined in subsection (c) and  
37 ~~(2)~~ a detailed description of the eligible project, eligible aviation project or  
38 eligible wind or solar energy project.

39 (e) Upon receipt of an application described in subsection (d), if the  
40 secretary finds that the application is from an eligible business, eligible  
41 aviation business or eligible wind or solar energy business and that the  
42 project constitutes an eligible project, eligible aviation project or eligible  
43 wind or solar energy project, the secretary may enter into an agreement

1 with the eligible business, eligible aviation business or eligible wind or  
2 solar energy business for benefits under this act. Such agreement for  
3 benefits shall be subject to review and approval of the state finance council  
4 created by K.S.A. 75-3708, and amendments thereto, acting on this matter  
5 which is hereby characterized as a matter of legislative delegation and  
6 subject to the guidelines prescribed in ~~subsection (e)~~ of K.S.A. 75-  
7 3711c(c), and amendments thereto. The agreement shall commit the  
8 secretary to request that the Kansas development finance authority issue  
9 bonds pursuant to the Kansas development finance authority act, K.S.A.  
10 74-8901 et seq., and amendments thereto, to finance the eligible project for  
11 the benefit of the eligible business in an aggregate principal amount not to  
12 exceed \$500,000,000, plus costs of issuance, costs of credit enhancement,  
13 reserve funds and capitalized interest, or in the case of an eligible aviation  
14 project in a principal amount not to exceed \$33,000,000 for a single  
15 eligible aviation project or in the case of an eligible wind or solar energy  
16 project in a principal amount not to exceed \$5,000,000 for a single eligible  
17 wind or solar energy project and in an aggregate principal amount not to  
18 exceed \$150,000,000 for all eligible aviation, wind or solar energy  
19 projects, plus costs of issuance, costs of credit enhancement, reserve funds  
20 and capitalized interest, and shall commit the eligible business, eligible  
21 aviation business or eligible wind or solar energy business to pay the  
22 principal of and interest on such obligations, except that during the period  
23 from the issuance of such bonds through the maturity of such obligations  
24 but not to exceed 20 years revenue realized from withholding upon Kansas  
25 wages paid by the eligible business, eligible aviation business or eligible  
26 wind or solar energy business pursuant to K.S.A. 79-3294 et seq., and  
27 amendments thereto, which is necessary to pay the principal and interest  
28 on such obligations shall be credited to the special economic revitalization  
29 fund created in subsection (h), and shall be transferred by the state  
30 treasurer to pay principal and interest on such obligations as provided by  
31 law. The agreement shall further specifically provide that if the revenue  
32 from the withholding upon Kansas wages is insufficient to pay principal  
33 and interest on the bonds, the eligible business, eligible aviation business  
34 or eligible wind or solar energy business shall remain obligated to make  
35 such payments. The terms and conditions with respect to the obligations  
36 shall be set forth in the agreement or in the financing documents relating to  
37 the issuance of the bonds. In the event the eligible business, eligible  
38 aviation business or eligible wind or solar energy business terminates,  
39 cancels or reduces the scope of the eligible project, eligible aviation  
40 project or eligible wind or solar energy project approved by the secretary,  
41 the agreement shall provide that with respect to debt service, the eligible  
42 business, eligible aviation business or eligible wind or solar energy  
43 business shall remain responsible for payment of the entire outstanding

1 principal as well as any interest still outstanding, and no moneys  
2 remaining in the special economic revitalization fund shall be made  
3 available for the purpose of paying the remaining principal and interest  
4 portion of the eligible business', eligible aviation business' or eligible wind  
5 or solar energy business' debt service obligation.

6 (f) Income tax refunds and balances due resulting from withholding  
7 upon Kansas wages paid by the eligible business, eligible aviation business  
8 or eligible wind or solar energy business pursuant to K.S.A. 79-3294 et  
9 seq., and amendments thereto, shall be reconciled on at least an annual  
10 basis by a method defined in the agreement described in subsection (e).

11 (g) The Kansas development finance authority is hereby authorized to  
12 issue obligations, for the purpose of financing the eligible project, eligible  
13 aviation project or eligible wind or solar energy project provided in  
14 subsection (e), in a principal amount not to exceed the amount specified in  
15 subsection (e). The maximum maturity of bonds issued pursuant to this act  
16 shall be 20 years, unless the secretary shall find and determine that a  
17 maturity greater than 20 years, but in no event greater than 30 years, is  
18 necessary for economic feasibility of the eligible project, eligible aviation  
19 project or eligible wind or solar energy *project* of the eligible business,  
20 eligible aviation business or eligible wind or solar energy business.

21 (h) The state treasurer shall credit all revenue collected or received  
22 from withholding upon Kansas wages paid by a taxpayer which is an  
23 eligible business, eligible aviation business or eligible wind or solar energy  
24 business with respect to an eligible project, eligible aviation project or  
25 eligible wind or solar energy project, as certified by the secretary, to the  
26 special economic revitalization fund, which fund is hereby created in the  
27 custody of the state treasurer but shall not be a part of the state general  
28 fund. Distributions from the special economic revitalization fund shall be  
29 used to pay principal and interest on the bonds as authorized pursuant to  
30 this act and shall not be subject to appropriation. On or before the 10<sup>th</sup> day  
31 of each month, the director of accounts and reports shall transfer from the  
32 state general fund to the special economic revitalization fund interest  
33 earnings based on: (1) The average daily balance of moneys in the special  
34 economic revitalization fund for the preceding month; and (2) the net  
35 earnings rate of the pooled money investment portfolio for the preceding  
36 month. The provisions of this section shall expire when all principal and  
37 interest on obligations issued for the purpose of financing all or a portion  
38 of the costs of an eligible project, eligible aviation project or eligible wind  
39 or solar energy project has been paid. Moneys credited to the special  
40 economic revitalization fund in accordance with the foregoing provisions  
41 shall be distributed to or on the order of the Kansas development finance  
42 authority to pay principal and interest on bonds issued to finance an  
43 eligible project, eligible aviation project or eligible wind or solar energy

1 project. The state treasurer shall make such distributions on such dates as  
2 mutually agreed to by the Kansas development finance authority, the  
3 paying agent for such obligations and the state treasurer. The total of all  
4 distributions under this section shall not exceed an amount determined to  
5 be sufficient to pay the principal and interest on such bonds.

6 (i) The eligible business, eligible aviation business or eligible wind or  
7 solar energy business shall not be allowed to participate in the IMPACT  
8 act or program pursuant to K.S.A. 74-50,102 et seq., and amendments  
9 thereto, with respect to the eligible project, eligible aviation project or  
10 eligible wind or solar energy project. The secretary may include provisions  
11 in the agreement described in subsection (e) to limit or reduce the amount  
12 of eligible credits, including but not limited to those allowed pursuant to  
13 K.S.A. 79-32,160a; ~~or 79-32,182b or 79-32,206~~, and amendments thereto,  
14 on the investment of the proceeds of the bonds issued under this act.  
15 Nothing in this subsection shall be construed to prohibit the eligible  
16 business, eligible aviation business or eligible wind or solar energy  
17 business from receiving credits allowed by law for any investment not  
18 related to bonds issued pursuant to this section.

19 (j) All hiring and use of the employees described in subsection (c)(5)  
20 (C) by an eligible business in connection with an eligible project, or  
21 described in subsection (c)(3)(C) by an eligible aviation business in  
22 connection with an eligible aviation project or an eligible wind or solar  
23 energy business, as described in subsection (c)(7), shall be subject to post  
24 audit under the legislative post audit act, and amendments thereto. All  
25 audit expenses incurred shall be charged to and paid by such eligible  
26 business or eligible aviation business. All moneys received for such audit  
27 expenses shall be deposited in the state treasury and credited to the audit  
28 services fund of the division of post audit. The division of post audit is  
29 hereby authorized to conduct the audit work authorized by this section in  
30 accordance with the provisions of the legislative post audit act, and  
31 amendments thereto.

32 (k) Bonds issued under this section shall not be used to provide for or  
33 to increase compensation packages, rewards, bonuses, pensions, enhanced  
34 retirement, stock options, buyouts or substantial severance pay or other  
35 financial benefits to any chief executive officer, chief financial officer or  
36 any officers of the company.

37 (l) The agreement described in subsection (e) shall include a  
38 provision requiring the eligible business, eligible aviation business or  
39 eligible wind or solar energy business to agree that:

40 (1) The eligible business, eligible aviation business or eligible wind  
41 or solar energy business shall be subject to post audit under the legislative  
42 post audit act, and amendments thereto;;

43 (2) the eligible business, eligible aviation business or eligible wind or

1 solar energy business shall pay audit expenses; and

2 (3) the eligible business, eligible aviation business or eligible wind or  
3 solar energy business shall not limit access to information required under  
4 the legislative post audit act, and amendments thereto.

5 (m) The secretary shall report to the state finance council on any new  
6 agreements entered into between the secretary and an eligible business,  
7 eligible aviation business or eligible wind or solar energy business  
8 pursuant to this section.

9 (n) No new eligible project, eligible aviation project or eligible wind  
10 or solar energy project shall be approved for financing under the  
11 provisions of this section on or after July 1, 2013.

12 Sec. 2. K.S.A. 74-8947 is hereby amended to read as follows: 74-  
13 8947. (a) For the purpose of financing the construction of a new integrated  
14 coal gasification power plant or expansion of an existing integrated coal  
15 gasification power plant, the Kansas development finance authority is  
16 hereby authorized to issue revenue bonds pursuant to the Kansas  
17 development finance authority act, K.S.A. 74-8901 et seq., and  
18 amendments thereto, in amounts sufficient to pay the costs of such  
19 construction or expansion, including any required interest on the bonds  
20 during construction and installation, plus all amounts required for the costs  
21 of bond issuance, costs of credit enhancement or other financial contracts,  
22 capitalized interest and any required reserves on the bonds. The bonds, and  
23 interest thereon, issued pursuant to this section shall be payable from  
24 revenues pledged to the Kansas development finance authority for such  
25 purpose, which may include revenues derived from sales of generation  
26 from the integrated coal gasification power plant.

27 (b) The provisions of ~~subsection (a) of~~ K.S.A. 74-8905(a), and  
28 amendments thereto, shall not prohibit the issuance of bonds by the  
29 Kansas development finance authority for the purposes of this section and  
30 any such issuance of bonds is exempt from the provisions of ~~subsection (a)~~  
31 ~~of~~ K.S.A. 74-8905(a), and amendments thereto, ~~which that~~ would operate  
32 to preclude such issuance.

33 (c) Revenue bonds, including refunding revenue bonds, issued under  
34 this section shall not constitute an indebtedness of the state of Kansas, nor  
35 shall they constitute indebtedness within the meaning of any constitutional  
36 or statutory provision limiting the incurring of indebtedness.

37 (d) Revenue bonds, including refunding revenue bonds, issued  
38 hereunder and the income derived therefrom are and shall be exempt from  
39 all state, county and municipal taxation in the state of Kansas, except  
40 Kansas estate taxes.

41 (e) As used in this section:

42 (1) "Expansion of an existing integrated coal gasification power  
43 plant" means expansion, beginning after December 31, 2005, of the

1 capacity of an existing integrated coal gasification power plant by at least  
 2 10% of such capacity, and includes construction or expansion of  
 3 transmission facilities ~~which~~ *that* are located at the site of such plant and  
 4 are employed specifically to serve such expansion.

5 (2) "Integrated coal gasification power plant" ~~has the meaning~~  
 6 ~~provided by K.S.A. 79-32,238, and amendments thereto~~ *means a facility*  
 7 *that: (A) Is located in Kansas; (B) converts coal into synthesis gas that*  
 8 *can be used as a fuel to generate energy; and (C) uses the synthesis gas as*  
 9 *a fuel to generate electric energy.*

10 (3) "New integrated coal gasification power plant" means an  
 11 integrated coal gasification power plant construction of which begins after  
 12 December 31, 2005, and includes transmission facilities ~~which~~ *that* are  
 13 located at the site of such plant and are employed specifically to serve such  
 14 plant.

15 Sec. 3. K.S.A. 75-3712 is hereby amended to read as follows: 75-  
 16 3712. (a) The state emergency fund is hereby continued in the state  
 17 treasury for the use of the state finance council created by K.S.A. 75-3708,  
 18 and amendments thereto, for the purposes and within the limitations  
 19 prescribed by K.S.A. 75-3713, 75-3713a, 75-3713b, 75-3713c, 75-3713d,  
 20 ~~and 75-3714 and K.S.A. 75-3713e~~, and amendments thereto.

21 (b) (1) Upon certification by the director of the budget to the director  
 22 of accounts and reports that the unencumbered balance in the state  
 23 emergency fund is insufficient to pay an amount that is necessary to  
 24 finance an action approved by the state finance council pursuant to K.S.A.  
 25 75-3713, 75-3713a, 75-3713b, 75-3713c; ~~or 75-3713d or K.S.A. 75-3713e~~,  
 26 and amendments thereto, the director of accounts and reports shall transfer  
 27 an amount equal to the insufficient amount from the state general fund to  
 28 the state emergency fund. The total of all amounts transferred from the  
 29 state general fund to the state emergency fund pursuant to this subsection  
 30 (b)(1) during any fiscal year shall not exceed \$10,000,000, excluding all  
 31 amounts transferred from the state general fund pursuant to subsection (b)  
 32 (2).

33 (2) In addition to the provisions of subsection (b)(1), during the  
 34 period commencing on ~~the effective date of this act~~ *May 31, 2007*, until  
 35 January 14, 2008, notwithstanding the provisions of any other statute to  
 36 the contrary:

37 (A) The director of the budget shall: (i) Provide ~~(i)~~ notice to the state  
 38 finance council that the unencumbered balance in the state emergency fund  
 39 is insufficient to pay an amount that is necessary to finance an action  
 40 approved by the state finance council pursuant to K.S.A. 75-3713, 75-  
 41 3713a; ~~or 75-3713b, or K.S.A. 75-3713e~~, and amendments thereto, ~~which~~  
 42 *that* is directly related to a severe weather-related state of disaster  
 43 emergency declared by the governor pursuant to K.S.A. 48-924, and



1 amendments thereto; and (ii) ~~the director of the budget shall~~ include with  
 2 such notice the director's recommendations regarding a specific amount or  
 3 amounts, ~~which that~~ in the aggregate are equal to the insufficient amount,  
 4 and ~~which that~~ could be transferred to the state emergency fund for such  
 5 purpose from the state general fund or any special revenue fund or funds,  
 6 or any account or accounts of the state general fund or any such special  
 7 revenue fund or funds; and

8 (B) upon approval such recommendation or any modification thereof  
 9 by the state finance council, by unanimous vote of all of the members of  
 10 the council, acting on this matter ~~which that~~ is hereby characterized as a  
 11 matter of legislative delegation and subject to the guidelines prescribed in  
 12 ~~subsection (e) of~~ K.S.A. 75-3711c(c), and amendments thereto, the  
 13 director of the budget shall certify to the director of accounts and reports  
 14 such recommendation, including any modifications, as approved by the  
 15 state finance council; and

16 (C) upon receipt of such certification by the director of the budget,  
 17 the director of accounts and reports shall transfer the amount or amounts  
 18 specified in such certification from the state general fund or any special  
 19 revenue fund or funds, or any account or accounts of the state general fund  
 20 or any such special revenue fund or funds, to the state emergency fund,  
 21 except that the total of all amounts transferred to the state emergency fund  
 22 pursuant to this subsection (b)(2) during the period commencing on ~~the~~  
 23 ~~effective date of this act~~ *May 31, 2007*, until January 14, 2008, shall not  
 24 exceed \$25,000,000.

25 Sec. 4. K.S.A. 75-4275 is hereby amended to read as follows: 75-  
 26 4275. Any state bank, national banking association or production credit  
 27 association or agricultural credit association chartered by the farm credit  
 28 administration under the federal farm credit act, as amended (12 U.S.C. §  
 29 2001 et seq.), who claims a tax credit pursuant to K.S.A. 79-1126a ~~or 79-~~  
 30 ~~32,181a~~, and amendments thereto, shall not use any funds from an  
 31 agricultural production loan deposit, invested pursuant to K.S.A. 75-4268  
 32 through 75-4274, and amendments thereto, for agricultural production  
 33 loans to qualify for the tax credit pursuant to K.S.A. 79-1126a ~~or 79-~~  
 34 ~~32,181a~~, and amendments thereto.

35 Sec. 5. K.S.A. 79-225 is hereby amended to read as follows: 79-225.  
 36 (a) The following described property, to the extent herein specified, shall  
 37 be exempt from all property taxes levied under the laws of the state of  
 38 Kansas:

39 (1) Any new integrated coal gasification power plant property or any  
 40 expanded integrated coal gasification power plant property.

41 (2) All property purchased for or constructed or installed at an  
 42 integrated coal gasification power plant to comply with air emission  
 43 standards imposed by state or federal law.

1 (b) The provisions of subsection (a) shall apply from and after  
2 purchase or commencement of construction or installation of such property  
3 and for the 12 taxable years immediately following the taxable year in  
4 which construction or installation of such property is completed.

5 (c) The provisions of this section shall apply to all taxable years  
6 commencing after December 31, 2005.

7 (d) As used in this section:

8 (1) "Expanded integrated coal gasification power plant property"  
9 means any real or tangible personal property purchased, constructed or  
10 installed for incorporation in and use as part of an expansion of an existing  
11 integrated coal gasification power plant, construction of which expansion  
12 begins after December 31, 2005.

13 (2) "Expansion of an existing integrated coal gasification power  
14 plant" means expansion of the capacity of an existing integrated coal  
15 gasification power plant by at least 10% of such capacity.

16 (3) "Integrated coal gasification power plant" ~~has the meaning~~  
17 ~~provided by K.S.A. 79-32,238, and amendments thereto~~ means a facility  
18 that: (A) Is located in Kansas; (B) converts coal into synthesis gas that  
19 can be used as a fuel to generate energy; and (C) uses the synthesis gas as  
20 a fuel to generate electric energy.

21 (4) "New integrated coal gasification power plant property" means  
22 any real or tangible personal property purchased, constructed or installed  
23 for incorporation in and use as part of an integrated coal gasification  
24 power plant, construction of which begins after December 31, 2005.

25 Sec. 6. K.S.A. 79-255 is hereby amended to read as follows: 79-255.

26 (a) For all taxable years commencing after December 31, 1999, and  
27 subject to the provisions of this section, there shall be allowed as a  
28 property tax refund to the operator of an oil lease an amount equal to 50%  
29 of the total amount of property tax levied and actually and timely paid by  
30 the operator for a property tax year which is attributable to the working  
31 interest of an oil lease the average daily production per well from which is  
32 15 barrels or less when the price per barrel of oil is \$16 or less, as  
33 prescribed in the oil and gas appraisal guide by the director of property  
34 valuation for the applicable tax year. ~~No refund shall be allowed for~~  
35 ~~property tax paid upon machinery and equipment for which a credit is~~  
36 ~~claimed pursuant to K.S.A. 79-32,206, and amendments thereto.~~

37 (b) No claim for a refund allowable pursuant to subsection (a) shall  
38 be paid unless filed with and in possession of the department of revenue on  
39 or before April 15 of the year next succeeding the year in which such taxes  
40 were paid, except that the director of taxation may extend the time for  
41 filing any claim or accept a claim filed after the deadline for filing when  
42 good cause exists therefor if the claim has been filed within three years of  
43 the deadline.

1 (c) The allowable amount of such claim shall be paid to the operator  
2 from the income tax refund fund upon warrants of the director of accounts  
3 and reports pursuant to vouchers approved by the director of taxation or by  
4 any person designated by the claimant, but no warrant issued hereunder  
5 shall be drawn in an amount of less than \$5. No interest shall be allowed  
6 on any payment made to an operator pursuant to this section.

7 (d) Insofar as the same may be made applicable, the provisions of  
8 K.S.A. 79-3226, and amendments thereto, shall apply to claims for refunds  
9 allowable pursuant to this section which may become in dispute.

10 (e) The department of revenue shall devise and provide forms and  
11 instructions necessary to administer this section, and the secretary of  
12 revenue may adopt rules and regulations for such purpose.

13 Sec. 7. K.S.A. 2024 Supp. 79-32,117 is hereby amended to read as  
14 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual  
15 means such individual's federal adjusted gross income for the taxable year,  
16 with the modifications specified in this section.

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

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

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

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

41 (iv) Federal income tax refunds received by the taxpayer if the  
42 deduction of the taxes being refunded resulted in a tax benefit for Kansas  
43 income tax purposes during a prior taxable year. Such refunds shall be

1 included in income in the year actually received regardless of the method  
2 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall  
3 be deemed to have resulted if the amount of the tax had been deducted in  
4 determining income subject to a Kansas income tax for a prior year  
5 regardless of the rate of taxation applied in such prior year to the Kansas  
6 taxable income, but only that portion of the refund shall be included as  
7 bears the same proportion to the total refund received as the federal taxes  
8 deducted in the year to which such refund is attributable bears to the total  
9 federal income taxes paid for such year. For purposes of the foregoing  
10 sentence, federal taxes shall be considered to have been deducted only to  
11 the extent such deduction does not reduce Kansas taxable income below  
12 zero.

13 (v) The amount of any depreciation deduction or business expense  
14 deduction claimed on the taxpayer's federal income tax return for any  
15 capital expenditure in making any building or facility accessible to the  
16 handicapped, for which expenditure the taxpayer claimed the credit  
17 allowed by K.S.A. 79-32,177, and amendments thereto.

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

21 (vii) The amount of any charitable contribution made to the extent the  
22 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-  
23 32,196, and amendments thereto.

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

28 (ix) The amount of any ad valorem taxes and assessments paid and  
29 the amount of any costs incurred for habitat management or construction  
30 and maintenance of improvements on real property, claimed for deduction  
31 in determining federal adjusted gross income, to the extent the same is  
32 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,  
33 and amendments thereto. *The provisions of this paragraph shall expire*  
34 *and have no effect on and after July 1, 2025.*

35 (x) Amounts received as nonqualified withdrawals, as defined by  
36 K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a  
37 family postsecondary education savings account, such amounts were  
38 subtracted from the federal adjusted gross income pursuant to subsection  
39 (c)(xv) or if such amounts are not already included in the federal adjusted  
40 gross income.

41 (xi) The amount of any contribution made to the same extent the  
42 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-  
43 50,154, and amendments thereto.

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

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

12 (xiv) 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. 79-32,221, and amendments  
15 thereto.

16 (xv) The amount of any expenditures claimed for deduction in  
17 determining federal adjusted gross income, to the extent the same is  
18 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223  
19 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-  
20 32,236, ~~79-32,238 through 79-32,241~~, 79-32,245 through 79-32,248 or 79-  
21 32,251 through 79-32,254, and amendments thereto.

22 (xvi) The amount of any amortization deduction claimed in  
23 determining federal adjusted gross income to the extent the same is  
24 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-  
25 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

26 (xvii) The amount of any amortization deduction claimed in  
27 determining federal adjusted gross income to the extent the same is  
28 claimed for deduction pursuant to K.S.A. 79-32,256, and amendments  
29 thereto.

30 (xviii) For taxable years commencing after December 31, 2006, the  
31 amount of any ad valorem or property taxes and assessments paid to a state  
32 other than Kansas or local government located in a state other than Kansas  
33 by a taxpayer who resides in a state other than Kansas, when the law of  
34 such state does not allow a resident of Kansas who earns income in such  
35 other state to claim a deduction for ad valorem or property taxes or  
36 assessments paid to a political subdivision of the state of Kansas in  
37 determining taxable income for income tax purposes in such other state, to  
38 the extent that such taxes and assessments are claimed as an itemized  
39 deduction for federal income tax purposes.

40 (xix) For taxable years beginning after December 31, 2012, and  
41 ending before January 1, 2017, the amount of any: (1) Loss from business  
42 as determined under the federal internal revenue code and reported from  
43 schedule C and on line 12 of the taxpayer's form 1040 federal individual

1 income tax return; (2) loss from rental real estate, royalties, partnerships, S  
2 corporations, except those with wholly owned subsidiaries subject to the  
3 Kansas privilege tax, estates, trusts, residual interest in real estate  
4 mortgage investment conduits and net farm rental as determined under the  
5 federal internal revenue code and reported from schedule E and on line 17  
6 of the taxpayer's form 1040 federal individual income tax return; and (3)  
7 farm loss as determined under the federal internal revenue code and  
8 reported from schedule F and on line 18 of the taxpayer's form 1040  
9 federal income tax return; all to the extent deducted or subtracted in  
10 determining the taxpayer's federal adjusted gross income. For purposes of  
11 this subsection, references to the federal form 1040 and federal schedule  
12 C, schedule E, and schedule F, shall be to such form and schedules as they  
13 existed for tax year 2011, and as revised thereafter by the internal revenue  
14 service.

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

23 (xxi) For taxable years beginning after December 31, 2012, and  
24 ending before January 1, 2017, the amount of any deduction for pension,  
25 profit sharing, and annuity plans of self-employed individuals under  
26 section 62(a)(6) of the federal internal revenue code as in effect on January  
27 1, 2012, and amendments thereto, in determining the federal adjusted gross  
28 income of an individual taxpayer.

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

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

39 (xxiv) For taxable years commencing after December 31, 2013, that  
40 portion of the amount of any expenditure deduction claimed in  
41 determining federal adjusted gross income for expenses paid for medical  
42 care of the taxpayer or the taxpayer's spouse or dependents when such  
43 expenses were paid or incurred for an abortion, or for a health benefit plan,

1 as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of  
2 an optional rider for coverage of abortion in accordance with K.S.A. 40-  
3 2,190, and amendments thereto, to the extent that such taxes and  
4 assessments are claimed as an itemized deduction for federal income tax  
5 purposes.

6 (xxv) For taxable years commencing after December 31, 2013, that  
7 portion of the amount of any expenditure deduction claimed in  
8 determining federal adjusted gross income for expenses paid by a taxpayer  
9 for health care when such expenses were paid or incurred for abortion  
10 coverage, a health benefit plan, as defined in K.S.A. 65-6731, and  
11 amendments thereto, when such expenses were paid or incurred for  
12 abortion coverage or amounts contributed to health savings accounts for  
13 such taxpayer's employees for the purchase of an optional rider for  
14 coverage of abortion in accordance with K.S.A. 40-2,190, and  
15 amendments thereto, to the extent that such taxes and assessments are  
16 claimed as a deduction for federal income tax purposes.

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

22 (xxvii) For all taxable years commencing after December 31, 2020,  
23 the amount of any interest expense paid or accrued in a previous taxable  
24 year but allowed as a deduction pursuant to section 163 of the federal  
25 internal revenue code in the current taxable year by reason of the  
26 carryforward of disallowed business interest pursuant to section 163(j)  
27 of the federal internal revenue code. For purposes of this paragraph, an  
28 interest expense is considered paid or accrued only in the first taxable year  
29 the deduction would have been allowable pursuant to section 163 of the  
30 federal internal revenue code if the limitation pursuant to section 163(j) of  
31 the federal internal revenue code did not exist.

32 (xxviii) For all taxable years beginning after December 31, 2021, the  
33 amount of any contributions to, or earnings from, a first-time home buyer  
34 savings account if distributions from the account were not used to pay for  
35 expenses or transactions authorized pursuant to K.S.A. 2024 Supp. 58-  
36 4904, and amendments thereto, or were not held for the minimum length  
37 of time required pursuant to K.S.A. 2024 Supp. 58-4904, and amendments  
38 thereto. Contributions to, or earnings from, such account shall also include  
39 any amount resulting from the account holder not designating a surviving  
40 payable on death beneficiary pursuant to K.S.A. 2024 Supp. 58-4904(e),  
41 and amendments thereto.

42 (xxix) For all taxable years beginning after December 31, 2024, the  
43 amount of any contributions to, or earnings from, an adoption savings

1 account if distributions from the account were not used to pay for expenses  
2 or transactions authorized pursuant to K.S.A. 2024 Supp. 38-2504, and  
3 amendments thereto, or were not held for the minimum length of time  
4 required pursuant to K.S.A. 2024 Supp. 38-2504, and amendments thereto.  
5 Contributions to, or earnings from, such account shall also include any  
6 amount resulting from the account holder not designating a surviving  
7 payable on death beneficiary pursuant to K.S.A. 2024 Supp. 38-2504(e),  
8 and amendments thereto.

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

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

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

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

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

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

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

41 (vii) Amounts received as annuities under the federal civil service  
42 retirement system from the civil service retirement and disability fund and  
43 other amounts received as retirement benefits in whatever form which



1 were earned for being employed by the federal government or for service  
2 in the armed forces of the United States.

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

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

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

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

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

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

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

34 (xiv) For all taxable years commencing after December 31, 1996, that  
35 portion of any income of a bank organized under the laws of this state or  
36 any other state, a national banking association organized under the laws of  
37 the United States, an association organized under the savings and loan  
38 code of this state or any other state, or a federal savings association  
39 organized under the laws of the United States, for which an election as an  
40 S corporation under subchapter S of the federal internal revenue code is in  
41 effect, which accrues to the taxpayer who is a stockholder of such  
42 corporation and which is not distributed to the stockholders as dividends of  
43 the corporation. For taxable years beginning after December 31, 2012, and

1 ending before January 1, 2017, the amount of modification under this  
2 subsection shall exclude the portion of income or loss reported on schedule  
3 E and included on line 17 of the taxpayer's form 1040 federal individual  
4 income tax return.

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

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

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

1 pursuant to K.S.A. 48-282, and amendments thereto, to the extent that  
2 such death benefits are included in federal adjusted gross income of the  
3 taxpayer.

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

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

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) (1) For all taxable years commencing after December 31,  
33 2020, the amount of any interest expense paid or accrued in the current  
34 taxable year and disallowed as a deduction pursuant to section 163(j) of  
35 the federal internal revenue code.

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

41 (3) For tax year 2021, an amount equal to the sum of any interest  
42 expenses paid or accrued in tax years 2018, 2019 and 2020 less the sum of  
43 amounts allowed as a deduction pursuant to section 163 of the federal

1 internal revenue code in tax years 2018, 2019 and 2020.

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

7 (xxviii) For all taxable years beginning after December 31, 2021: (1)  
8 The amount contributed to a first-time home buyer savings account  
9 pursuant to K.S.A. 2024 Supp. 58-4903, and amendments thereto, in an  
10 amount not to exceed \$3,000 for an individual or \$6,000 for a married  
11 couple filing a joint return; or (2) amounts received as income earned from  
12 assets in a first-time home buyer savings account. For all taxable years  
13 beginning after December 31, 2022, contributions made to a first-time  
14 home buyer savings account pursuant to subparagraph (1) on and after  
15 January 1 but prior to the date required for filing a return pursuant to  
16 K.S.A. 79-3221, and amendments thereto, of the successive taxable year  
17 may be elected by the taxpayer to apply to the prior taxable year if such  
18 election is made at the time of filing the return. No contribution shall be  
19 used as a modification pursuant to subparagraph (1) in more than one  
20 taxable year.

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

40 (xxx) For all taxable years beginning after December 31, 2024: (1)  
41 The amount contributed to an adoption savings account pursuant to K.S.A.  
42 2024 Supp. 38-2503, and amendments thereto, in an amount not to exceed  
43 \$6,000 for an individual or \$12,000 for a married couple filing a joint

1 return; or (2) amounts received as income earned from assets in an  
2 adoption savings account.

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

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

12 Sec. 8. K.S.A. 79-32,140a is hereby amended to read as follows: 79-  
13 32,140a. (a) Whenever, as a result of the provisions of K.S.A. 79-32,138-  
14 ~~79-32,140, and amendments thereto~~, an assessment of additional income  
15 tax is required to be made, no interest or penalties shall begin to accrue  
16 upon such assessment until July 1, 1984.

17 (b) Whenever, as a result of the provisions of K.S.A. 79-32,138-  
18 ~~32,140, and amendments thereto~~, an overpayment of income tax was  
19 incurred, interest shall not accrue on such overpayment until 90 days after  
20 the date of receipt of the taxpayer's claim of overpayment of tax.

21 Sec. 9. K.S.A. 2024 Supp. 79-32,143a is hereby amended to read as  
22 follows: 79-32,143a. (a) For taxable years beginning after December 31,  
23 2020, a taxpayer may elect to take an expense deduction from Kansas net  
24 income before expensing or recapture allocated or apportioned to this state  
25 for the cost of the following property placed in service in this state during  
26 the taxable year: (1) Tangible property eligible for depreciation under the  
27 modified accelerated cost recovery system in section 168 of the internal  
28 revenue code, as amended, but not including residential rental property,  
29 nonresidential real property, any railroad grading or tunnel bore or any  
30 other property with an applicable recovery period in excess of 25 years as  
31 defined under section 168(c) or (g) of the internal revenue code, as  
32 amended; and (2) computer software as defined in section 197(e)(3)(B)  
33 of the internal revenue code, as amended, and as described in section 197(e)  
34 (3)(A)(i) of the internal revenue code, as amended, to which section 167 of  
35 the internal revenue code, as amended, applies. If such election is made,  
36 the amount of expense deduction for such cost shall equal the difference  
37 between the depreciable cost of such property for federal income tax  
38 purposes and the sum of the amount of bonus depreciation being claimed  
39 for such property pursuant to section 168(k) and the amount of expensing  
40 deduction being claimed for such property pursuant to section 179 of the  
41 internal revenue code, as amended, for federal income tax purposes in such  
42 tax year, multiplied by the applicable factor, determined by using, the table  
43 provided in subsection (f), based on the method of depreciation selected

1 pursuant to section 168(b)(1), (2), or (3) or (g) of the internal revenue  
2 code, as amended, and the applicable recovery period for such property as  
3 defined under section 168(c) or (g) of the internal revenue code, as  
4 amended. This election shall be made by the due date of the original  
5 return, including any extensions, and may be made only for the taxable  
6 year in which the property is placed in service, and once made, shall be  
7 irrevocable.

8 (b) If the amount of expense deduction calculated pursuant to  
9 subsection (a) exceeds the taxpayer's Kansas net income before expensing  
10 or recapture allocated or apportioned to this state, such excess amount  
11 shall be treated as a Kansas net operating loss as provided in K.S.A. 79-  
12 32,143, and amendments thereto.

13 (c) If the property for which an expense deduction is taken pursuant  
14 to subsection (a) is subsequently sold during the applicable recovery  
15 period for such property as defined under section 168(c) of the internal  
16 revenue code, as amended, and in a manner that would cause recapture of  
17 any previously taken expense or depreciation deductions for federal  
18 income tax purposes, or if the situs of such property is otherwise changed  
19 such that the property is relocated outside the state of Kansas during such  
20 applicable recovery period, then the expense deduction determined  
21 pursuant to subsection (a) shall be subject to recapture and treated as  
22 Kansas taxable income allocated to this state. The amount of recapture  
23 shall be the Kansas expense deduction determined pursuant to subsection  
24 (a) multiplied by a fraction, the numerator of which is the number of years  
25 remaining in the applicable recovery period for such property as defined  
26 under section 168(c) or (g) of the internal revenue code, as amended, after  
27 such property is sold or removed from the state including the year of such  
28 disposition, and the denominator of which is the total number of years in  
29 such applicable recovery period.

30 (d) The situs of tangible property for purposes of claiming and  
31 recapture of the expense deduction shall be the physical location of such  
32 property. If such property is mobile, the situs shall be the physical location  
33 of the business operations from where such property is used or based. The  
34 situs of computer software shall be apportioned to Kansas based on the  
35 fraction, the numerator of which is the number of the taxpayer's users  
36 located in Kansas of licenses for such computer software used in the active  
37 conduct of the taxpayer's business operations, and the denominator of  
38 which is the total number of the taxpayer's users of the licenses for such  
39 computer software used in the active conduct of the taxpayer's business  
40 operations everywhere.

41 (e) Any member of a unitary group filing a combined report may  
42 elect to take an expense deduction pursuant to subsection (a) for an  
43 investment in property made by any member of the combined group,

1 provided that the amount calculated pursuant to subsection (a) may only be  
 2 deducted from the Kansas net income before expensing or recapture  
 3 allocated to or apportioned to this state by such member making the  
 4 election.

5 (f) The following table shall be used in determining the expense  
 6 deduction calculated pursuant to subsection (a):

7	Factors			
8	IRC§168	IRC§168(b)(1)	IRC§168(b)(2)	IRC§168(b)(3) or (g)
9	Recover Period	Depreciation	Depreciation	Depreciation
10	(year)	Method	Method	Method
11	2.5	*	.077	.092
12	3	.075	.091	.106
13	3.5	*	.102	.116
14	4	*	.114	.129
15	5	.116	.135	.150
16	6	*	.154	.170
17	6.5	*	.163	.179
18	7	.151	.173	.190
19	7.5	*	.181	.199
20	8	*	.191	.208
21	8.5	*	.199	.217
22	9	*	.208	.226
23	9.5	*	.216	.235
24	10	.198	.224	.244
25	10.5	*	.232	.252
26	11	*	.240	.261
27	11.5	*	.248	.269
28	12	*	.256	.277
29	12.5	*	.263	.285
30	13	*	.271	.293
31	13.5	*	.278	.300
32	14	*	.285	.308
33	15	*	.299	.323
34	16	*	.313	.337
35	16.5	*	.319	.344
36	17	*	.326	.351
37	18	*	.339	.365
38	19	*	.351	.378
39	20	*	.363	.391
40	22	*	.386	.415
41	24	*	.408	.438
42	25	*	.419	.449

43 \*Not Applicable

44



1 (g) If a taxpayer elects to expense any investment pursuant to  
2 subsection (a), such taxpayer shall not be eligible for any tax credit,  
3 accelerated depreciation, or deduction for such investment allowed  
4 pursuant to K.S.A. 79-32,160a(e), 79-32,182b, 79-32,201, 79-32,204, 79-  
5 32,211, 79-32,218, 79-32,221, 79-32,222, 79-32,224, 79-32,227, 79-  
6 32,229, 79-32,232, 79-32,234, 79-32,237, ~~79-32,239~~, 79-32,246, 79-  
7 32,249, 79-32,252, 79-32,255; *and* 79-32,256 ~~and~~ 79-32,258, and  
8 amendments thereto.

9 (h) (1) For tax year 2013, the deduction allowed by this section shall  
10 only be available to taxpayers subject to the income tax on corporations  
11 imposed pursuant to K.S.A. 79-32,110(c), and amendments thereto, and  
12 used only to determine such taxpayer's corporate income tax liability.

13 (2) For tax years 2014 through 2020, the deduction allowed by this  
14 section shall only be available to taxpayers subject to the income tax on  
15 corporations imposed pursuant to K.S.A. 79-32,110(c), and amendments  
16 thereto, or the privilege tax imposed upon any national banking  
17 association, state bank, savings bank, trust company or savings and loan  
18 association pursuant to article 11 of chapter 79 of the Kansas Statutes  
19 Annotated, and amendments thereto, and used only to determine such  
20 taxpayer's corporate income or privilege tax liability.

21 (i) For tax year 2021, and all tax years thereafter, the deduction  
22 allowed by this section shall be available to all taxpayers subject to the  
23 income tax imposed pursuant to K.S.A. 79-32,110, and amendments  
24 thereto, or the privilege tax imposed upon any national banking  
25 association, state bank, savings bank, trust company or savings and loan  
26 association pursuant to article 11 of chapter 79 of the Kansas Statutes  
27 Annotated, and amendments thereto, and used only to determine such  
28 taxpayer's income or privilege tax liability.

29 Sec. 10. K.S.A. 2024 Supp. 79-32,160a is hereby amended to read as  
30 follows: 79-32,160a. (a) For taxable years commencing after December  
31 31, 1999, and before January 1, 2012, any taxpayer who shall invest in a  
32 qualified business facility, as defined in K.S.A. 79-32,154(b), and  
33 amendments thereto, and effective for tax years commencing after  
34 December 31, 2010, and before January 1, 2012, located in an area other  
35 than a metropolitan county as defined in either K.S.A. 74-50,114 or 74-  
36 50,211, and amendments thereto, and also meets the definition of a  
37 business in K.S.A. 74-50,114(b), and amendments thereto, shall be  
38 allowed a credit for such investment, in an amount determined under  
39 subsection (b) or (c), as the case requires, against the tax imposed by the  
40 Kansas income tax act or where the qualified business facility is the  
41 principal place from which the trade or business of the taxpayer is directed  
42 or managed and the facility has facilitated the creation of at least 20 new  
43 full-time positions, against the premium tax or privilege fees imposed

1 pursuant to K.S.A. 40-252, and amendments thereto, or as measured by the  
2 net income of financial institutions imposed pursuant to article 11 of  
3 chapter 79 of the Kansas Statutes Annotated, and amendments thereto, for  
4 the taxable year during which commencement of commercial operations,  
5 as defined in K.S.A. 79-32,154(f), and amendments thereto, occurs at such  
6 qualified business facility. In the case of a taxpayer who meets the  
7 definition of a manufacturing business in K.S.A. 74-50,114(d), and  
8 amendments thereto, no credit shall be allowed under this section unless  
9 the number of qualified business facility employees, as determined under  
10 K.S.A. 79-32,154(d), and amendments thereto, engaged or maintained in  
11 employment at the qualified business facility as a direct result of the  
12 investment by the taxpayer for the taxable year for which the credit is  
13 claimed equals or exceeds two. In the case of a taxpayer who meets the  
14 definition of a nonmanufacturing business in K.S.A. 74-50,114(f), and  
15 amendments thereto, no credit shall be allowed under this section unless  
16 the number of qualified business facility employees, as determined under  
17 K.S.A. 79-32,154(d), and amendments thereto, engaged or maintained in  
18 employment at the qualified business facility as a direct result of the  
19 investment by the taxpayer for the taxable year for which the credit is  
20 claimed equals or exceeds five. Where an employee performs services for  
21 the taxpayer outside the qualified business facility, the employee shall be  
22 considered engaged or maintained in employment at the qualified business  
23 facility if: (1) The employee's service performed outside the qualified  
24 business facility is incidental to the employee's service inside the qualified  
25 business facility; or (2) the base of operations or, the place from which the  
26 service is directed or controlled, is at the qualified business facility.

27 (b) The credit allowed by subsection (a) for any taxpayer who invests  
28 in a qualified business facility that is located in a designated  
29 nonmetropolitan region established under K.S.A. 74-50,116, and  
30 amendments thereto, on or after the effective date of this act, shall be a  
31 portion of the income tax imposed by the Kansas income tax act on the  
32 taxpayer's Kansas taxable income, the premium tax or privilege fees  
33 imposed pursuant to K.S.A. 40-252, and amendments thereto, or the  
34 privilege tax as measured by the net income of financial institutions  
35 imposed pursuant to article 11 of chapter 79 of the Kansas Statutes  
36 Annotated, and amendments thereto, for the taxable year for which such  
37 credit is allowed, but in the case where the qualified business facility  
38 investment was made prior to January 1, 1996, not in excess of 50% of  
39 such tax. Such portion shall be an amount equal to the sum of the  
40 following:

- 41 (1) \$2,500 for each qualified business facility employee determined  
42 under K.S.A. 79-32,154, and amendments thereto; plus
- 43 (2) \$1,000 for each \$100,000, or major fraction thereof, which shall

1 be deemed to be 51% or more, in qualified business facility investment, as  
2 determined under K.S.A. 79-32,154, and amendments thereto.

3 (c) The credit allowed by subsection (a) for any taxpayer who invests  
4 in a qualified business facility that is not located in a nonmetropolitan  
5 region established under K.S.A. 74-50,116, and amendments thereto, and  
6 effective for tax years commencing after December 31, 2010, and before  
7 January 1, 2012, located in an area other than a metropolitan county as  
8 defined in either K.S.A. 74-50,114 or 74-50,211, and amendments thereto,  
9 and that also meets the definition of business in K.S.A. 74-50,114(b), and  
10 amendments thereto, on or after the effective date of this act, shall be a  
11 portion of the income tax imposed by the Kansas income tax act on the  
12 taxpayer's Kansas taxable income, the premium tax or privilege fees  
13 imposed pursuant to K.S.A. 40-252, and amendments thereto, or the  
14 privilege tax as measured by the net income of financial institutions  
15 imposed pursuant to article 11 of chapter 79 of the Kansas Statutes  
16 Annotated, and amendments thereto, for the taxable year for which such  
17 credit is allowed, but in the case where the qualified business facility  
18 investment was made prior to January 1, 1996, not in excess of 50% of  
19 such tax. Such portion shall be an amount equal to the sum of the  
20 following:

21 (1) \$1,500 for each qualified business facility employee as  
22 determined under K.S.A. 79-32,154, and amendments thereto; and

23 (2) \$1,000 for each \$100,000, or major fraction thereof, which shall  
24 be deemed to be 51% or more, in qualified business facility investment as  
25 determined under K.S.A. 79-32,154, and amendments thereto.

26 (d) The credit allowed by subsection (a) for each qualified business  
27 facility employee and for qualified business facility investment shall be a  
28 one-time credit. If the amount of the credit allowed under subsection (a)  
29 exceeds the tax imposed by the Kansas income tax act on the taxpayer's  
30 Kansas taxable income, the premium tax and privilege fees imposed  
31 pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as  
32 measured by the net income of financial institutions imposed pursuant to  
33 article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments  
34 thereto, for the taxable year, or in the case where the qualified business  
35 facility investment was made prior to January 1, 1996, 50% of such tax  
36 imposed upon the amount which exceeds such tax liability or such portion  
37 thereof may be carried over for credit in the same manner in the  
38 succeeding taxable years until the total amount of such credit is used.  
39 Except that, before the credit is allowed, a taxpayer, who meets the  
40 definition of a manufacturing business in K.S.A. 74-50,114(d), and  
41 amendments thereto, shall recertify annually that the net increase of a  
42 minimum of two qualified business facility employees has continued to be  
43 maintained and a taxpayer, who meets the definition of a

1 nonmanufacturing business in K.S.A. 74-50,114(f), and amendments  
2 thereto, shall recertify annually that the net increase of a minimum of five  
3 qualified business employees has continued to be maintained.

4 (e) Notwithstanding the foregoing provisions of this section, and  
5 except as otherwise provided in this subsection, any taxpayer qualified and  
6 certified under the provisions of K.S.A. 74-50,131, and amendments  
7 thereto, that prior to making a commitment to invest in a qualified Kansas  
8 business, has filed a certificate of intent to invest in a qualified business  
9 facility in a form satisfactory to the secretary of commerce, shall be  
10 entitled to a credit in an amount equal to 10% of that portion of the  
11 qualified business facility investment that exceeds \$50,000 in lieu of the  
12 credit provided in subsection (b)(2) or (c)(2) without regard to the number  
13 of qualified business facility employees engaged or maintained in  
14 employment at the qualified business facility. For tax years beginning on  
15 or after January 1, 2012, for a qualified business facility investment in  
16 Douglas, Johnson, Sedgwick, Shawnee or Wyandotte county, such credit  
17 shall be in an amount equal to 10% of that portion of the qualified business  
18 facility investment that exceeds \$1,000,000. Any taxpayer who has filed a  
19 certificate of intent to invest in a qualified business facility pursuant to this  
20 subsection in Douglas, Johnson, Sedgwick, Shawnee or Wyandotte county  
21 prior to December 31, 2011, and commences investments in a qualified  
22 business facility prior to December 31, 2013, may claim credits under  
23 K.S.A. 74-50,131, 74-50,132 and 79-32,160a(e), and amendments thereto,  
24 in an amount equal to 10% of that portion of the qualified business facility  
25 investment that exceeds \$50,000. Timing modifications may be authorized  
26 at the discretion of the secretary of commerce and the secretary of revenue  
27 during the transition period. The credit allowed by this subsection shall be  
28 a one-time credit. If the amount thereof exceeds the tax imposed by the  
29 Kansas income tax act on the taxpayer's Kansas taxable income or the  
30 premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and  
31 amendments thereto, or the privilege tax as measured by net income of  
32 financial institutions imposed pursuant to article 11 of chapter 79 of the  
33 Kansas Statutes Annotated, and amendments thereto, for the taxable year,  
34 the amount thereof that exceeds such tax liability may be carried forward  
35 for credit in the succeeding taxable year or years until the total amount of  
36 the tax credit is used, except that no such tax credit shall be carried  
37 forward for deduction after the 16<sup>th</sup> taxable year succeeding the taxable  
38 year in which such credit initially was claimed, and no carryforward shall  
39 be allowed for deduction in any succeeding taxable year unless the  
40 taxpayer certifies under oath that the taxpayer continues to meet the  
41 requirements of K.S.A. 74-50,131, and amendments thereto, and this act.  
42 In no event shall any credit allowed under this section that expired during  
43 any taxable year prior to the taxable year commencing January 1, 2011, be

1 revived under the provisions of this act.

2 (f) For projects placed into service on and after January 1, 2021, a  
3 taxpayer may transfer up to 50% of the tax credit allowed under subsection  
4 (e), as provided in this subsection. The taxpayer may make a transfer to  
5 one or more transferees, but the total of all transfers shall not exceed 50%  
6 of the taxpayer's tax credit. The taxpayer shall make the transfer or  
7 transfers within a single tax year. The credit may be transferred to any  
8 individual or entity and shall be claimed in the year the credit was  
9 transferred against the transferee's tax liability for the income tax under the  
10 Kansas income tax act or the premium tax or privilege fees imposed  
11 pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as  
12 measured by the net income of financial institutions imposed pursuant to  
13 article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments  
14 thereto. The amount of the credit that exceeds the transferee's tax liability  
15 for such year may be carried forward for credit in the succeeding taxable  
16 year or years until the total amount of the tax credit is used, except that no  
17 such credit shall be carried forward for deduction after the 16<sup>th</sup> taxable  
18 year succeeding the taxable year in which such credit was initially  
19 claimed. The taxpayer or transferee shall provide such documentation of  
20 the tax credit transfer to the secretary of revenue as may be required by the  
21 secretary.

22 (g) In the event the tax credit earned by the taxpayer and transferred  
23 to a transferee is later disallowed in whole or in part by the secretary of  
24 revenue, the taxpayer that originally earned the tax credit shall be liable for  
25 repayment to the state in the amount disallowed.

26 (h) For tax years commencing after December 31, 2005, any taxpayer  
27 claiming credits pursuant to this section, as a condition for claiming and  
28 qualifying for such credits, shall provide information pursuant to K.S.A.  
29 79-32,243, and amendments thereto, as part of the tax return in which such  
30 credits are claimed. Such credits shall not be denied solely on the basis of  
31 the contents of the information provided by the taxpayer pursuant to  
32 K.S.A. 79-32,243, and amendments thereto.

33 (i) This section ~~and K.S.A. 79-32,160b, and amendments thereto,~~  
34 shall be a part of and supplemental to the job expansion and investment  
35 credit act of 1976, and amendments thereto.

36 Sec. 11. K.S.A. 74-50,136, 74-8947, 75-3712, 75-3713e, 75-4275,  
37 79-201h, 79-225, 79-255, 79-1705, 79-3221f, 79-3288a, 79-32,117a, 79-  
38 32,117b, 79-32,117c, 79-32,117d, 79-32,117e, 79-32,140, 79-32,140a, 79-  
39 32,160b, 79-32,181, 79-32,181a, 79-32,192, 79-32,193, 79-32,206, 79-  
40 32,214, 79-32,215, 79-32,238, 79-32,239, 79-32,240, 79-32,241, 79-  
41 32,244, 79-32,257, 79-32,258, 79-32,259, 79-32,260, 79-32,262, 79-  
42 32,264 and 79-32,272 and K.S.A. 2024 Supp. 79-32,117, 79-32,143a, 79-  
43 32,160a and 79-32,203 are hereby repealed.

1       Sec. 12. This act shall take effect and be in force from and after its  
2       publication in the statute book.