

**SENATE BILL No. 39**

By Committee on Federal and State Affairs

1-16

AN ACT concerning legal tender; establishing the Kansas legal tender act; reaffirming gold and silver coin as legal tender; providing an income taxation subtraction modification for gains from the sale of specie; amending K.S.A. 2024 Supp. 79-32,117 and repealing the existing section.

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

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

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

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

(b) "specie" means:

(1) Coin having gold or silver content; or

(2) refined gold or silver bullion that is coined, stamped or imprinted with its weight and purity and valued primarily based on its metal content and not its form.

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

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

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

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

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

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

(d) The provisions of ~~this section~~ **{ subsections (a) through (c) }** shall not apply to taxable distributions from any retirement plan account that holds specie.

**{(e) Specie legal tender may be transacted, transmitted or exchanged by physical or electronic means subject to the Kansas money transmission act and any rules and regulations promulgated thereunder.}**

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

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

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

8 Sec. 7. K.S.A. 2024 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.

36 (iv) Federal income tax refunds received by the taxpayer if the  
37 deduction of the taxes being refunded resulted in a tax benefit for Kansas  
38 income tax purposes during a prior taxable year. Such refunds shall be  
39 included in income in the year actually received regardless of the method  
40 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall  
41 be deemed to have resulted if the amount of the tax had been deducted in  
42 determining income subject to a Kansas income tax for a prior year  
43 regardless of the rate of taxation applied in such prior year to the Kansas

1 taxable income, but only that portion of the refund shall be included as  
2 bears the same proportion to the total refund received as the federal taxes  
3 deducted in the year to which such refund is attributable bears to the total  
4 federal income taxes paid for such year. For purposes of the foregoing  
5 sentence, federal taxes shall be considered to have been deducted only to  
6 the extent such deduction does not reduce Kansas taxable income below  
7 zero.

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

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

16 (vii) The amount of any charitable contribution made to the extent the  
17 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-  
18 32,196, and amendments thereto.

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

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

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

35 (xi) The amount of any contribution made to the same extent the  
36 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-  
37 50,154, and amendments thereto.

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

1 income.

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

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

10 (xv) 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. 79-32,223  
13 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-  
14 32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-  
15 32,251 through 79-32,254, and amendments thereto.

16 (xvi) The amount of any amortization deduction claimed in  
17 determining federal adjusted gross income to the extent the same is  
18 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-  
19 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

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

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

34 (xix) For taxable years beginning after December 31, 2012, and  
35 ending before January 1, 2017, the amount of any: (1) Loss from business  
36 as determined under the federal internal revenue code and reported from  
37 schedule C and on line 12 of the taxpayer's form 1040 federal individual  
38 income tax return; (2) loss from rental real estate, royalties, partnerships, S  
39 corporations, except those with wholly owned subsidiaries subject to the  
40 Kansas privilege tax, estates, trusts, residual interest in real estate  
41 mortgage investment conduits and net farm rental as determined under the  
42 federal internal revenue code and reported from schedule E and on line 17  
43 of the taxpayer's form 1040 federal individual income tax return; and (3)

1 farm loss as determined under the federal internal revenue code and  
2 reported from schedule F and on line 18 of the taxpayer's form 1040  
3 federal income tax return; all to the extent deducted or subtracted in  
4 determining the taxpayer's federal adjusted gross income. For purposes of  
5 this subsection, references to the federal form 1040 and federal schedule  
6 C, schedule E, and schedule F, shall be to such form and schedules as they  
7 existed for tax year 2011, and as revised thereafter by the internal revenue  
8 service.

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

17 (xxi) For taxable years beginning after December 31, 2012, and  
18 ending before January 1, 2017, the amount of any deduction for pension,  
19 profit sharing, and annuity plans of self-employed individuals under  
20 section 62(a)(6) of the federal internal revenue code as in effect on January  
21 1, 2012, and amendments thereto, in determining the federal adjusted gross  
22 income of an individual taxpayer.

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

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

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

43 (xxv) For taxable years commencing after December 31, 2013, that

1 portion of the amount of any expenditure deduction claimed in  
2 determining federal adjusted gross income for expenses paid by a taxpayer  
3 for health care when such expenses were paid or incurred for abortion  
4 coverage, a health benefit plan, as defined in K.S.A. 65-6731, and  
5 amendments thereto, when such expenses were paid or incurred for  
6 abortion coverage or amounts contributed to health savings accounts for  
7 such taxpayer's employees for the purchase of an optional rider for  
8 coverage of abortion in accordance with K.S.A. 40-2,190, and  
9 amendments thereto, to the extent that such taxes and assessments are  
10 claimed as a deduction for federal income tax purposes.

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

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

26 (xxviii) For all taxable years beginning after December 31, 2021, the  
27 amount of any contributions to, or earnings from, a first-time home buyer  
28 savings account if distributions from the account were not used to pay for  
29 expenses or transactions authorized pursuant to K.S.A. 2024 Supp. 58-  
30 4904, and amendments thereto, or were not held for the minimum length  
31 of time required pursuant to K.S.A. 2024 Supp. 58-4904, and amendments  
32 thereto. Contributions to, or earnings from, such account shall also include  
33 any amount resulting from the account holder not designating a surviving  
34 payable on death beneficiary pursuant to K.S.A. 2024 Supp. 58-4904(e),  
35 and amendments thereto.

36 (xxix) For all taxable years beginning after December 31, 2024, the  
37 amount of any contributions to, or earnings from, an adoption savings  
38 account if distributions from the account were not used to pay for expenses  
39 or transactions authorized pursuant to K.S.A. 2024 Supp. 38-2504, and  
40 amendments thereto, or were not held for the minimum length of time  
41 required pursuant to K.S.A. 2024 Supp. 38-2504, and amendments thereto.  
42 Contributions to, or earnings from, such account shall also include any  
43 amount resulting from the account holder not designating a surviving

1 payable on death beneficiary pursuant to K.S.A. 2024 Supp. 38-2504(e),  
2 and amendments thereto.

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

4 (i) Interest or dividend income on obligations or securities of any  
5 authority, commission or instrumentality of the United States and its  
6 possessions less any related expenses directly incurred in the purchase of  
7 such obligations or securities, to the extent included in federal adjusted  
8 gross income but exempt from state income taxes under the laws of the  
9 United States.

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

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

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

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

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

35 (vii) Amounts received as annuities under the federal civil service  
36 retirement system from the civil service retirement and disability fund and  
37 other amounts received as retirement benefits in whatever form which  
38 were earned for being employed by the federal government or for service  
39 in the armed forces of the United States.

40 (viii) Amounts received by retired railroad employees as a  
41 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and  
42 228c(a)(1) et seq.

43 (ix) Amounts received by retired employees of a city and by retired

1 employees of any board of such city as retirement allowances pursuant to  
2 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter  
3 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and  
4 amendments thereto.

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

8 (2) For taxable years beginning after December 31, 2019, and ending  
9 before January 1, 2022, 50% of the amount of the federal employee  
10 retention credit disallowance under rules similar to the rules of 26 U.S.C. §  
11 280C(a). The taxpayer shall be required to prove that such taxpayer  
12 previously filed Kansas income tax returns and paid Kansas income tax on  
13 the disallowed amount. Notwithstanding any other provision of law to the  
14 contrary, any claim for refund or amended return relating to this  
15 subparagraph shall be allowed to be filed on or before April 15, 2025, and  
16 no claim for refund or amended return shall be allowed or filed after April  
17 15, 2025.

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

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

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

28 (xiv) For all taxable years commencing after December 31, 1996, that  
29 portion of any income of a bank organized under the laws of this state or  
30 any other state, a national banking association organized under the laws of  
31 the United States, an association organized under the savings and loan  
32 code of this state or any other state, or a federal savings association  
33 organized under the laws of the United States, for which an election as an  
34 S corporation under subchapter S of the federal internal revenue code is in  
35 effect, which accrues to the taxpayer who is a stockholder of such  
36 corporation and which is not distributed to the stockholders as dividends of  
37 the corporation. For taxable years beginning after December 31, 2012, and  
38 ending before January 1, 2017, the amount of modification under this  
39 subsection shall exclude the portion of income or loss reported on schedule  
40 E and included on line 17 of the taxpayer's form 1040 federal individual  
41 income tax return.

42 (xv) The cumulative amounts not exceeding \$3,000, or \$6,000 for a  
43 married couple filing a joint return, for each designated beneficiary that



1 are contributed to: (1) A family postsecondary education savings account  
2 established under the Kansas postsecondary education savings program or  
3 a qualified tuition program established and maintained by another state or  
4 agency or instrumentality thereof pursuant to section 529 of the internal  
5 revenue code of 1986, as amended, for the purpose of paying the qualified  
6 higher education expenses of a designated beneficiary; or (2) an achieving  
7 a better life experience (ABLE) account established under the Kansas  
8 ABLE savings program or a qualified ABLE program established and  
9 maintained by another state or agency or instrumentality thereof pursuant  
10 to section 529A of the internal revenue code of 1986, as amended, for the  
11 purpose of saving private funds to support an individual with a disability.  
12 The terms and phrases used in this paragraph shall have the meaning  
13 respectively ascribed thereto by the provisions of K.S.A. 75-643 and 75-  
14 652, and amendments thereto, and the provisions of such sections are  
15 hereby incorporated by reference for all purposes thereof. For all taxable  
16 years beginning after December 31, 2022, contributions made to a  
17 qualified tuition program account or a qualified ABLE program account  
18 pursuant to this paragraph on and after January 1 but prior to the date  
19 required for filing a return pursuant to K.S.A. 79-3221, and amendments  
20 thereto, of the successive taxable year may be elected by the taxpayer to  
21 apply to the prior taxable year if such election is made at the time of filing  
22 the return. No contribution shall be used as a modification pursuant to this  
23 paragraph in more than one taxable year.

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

34 (xvii) For all taxable years beginning after December 31, 2004,  
35 amounts received by taxpayers who are eligible members of the Kansas  
36 army and air national guard as a reimbursement pursuant to K.S.A. 48-  
37 281, and amendments thereto, and amounts received for death benefits  
38 pursuant to K.S.A. 48-282, and amendments thereto, to the extent that  
39 such death benefits are included in federal adjusted gross income of the  
40 taxpayer.

41 (xviii) (A) For all taxable years beginning after December 31, 2007,  
42 and ending before January 1, 2024, amounts received as benefits under the  
43 federal social security act which are included in federal adjusted gross

1 income of a taxpayer with federal adjusted gross income of \$75,000 or  
2 less, whether such taxpayer's filing status is single, head of household,  
3 married filing separate or married filing jointly.

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

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

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

29 (xxi) For all taxable years beginning after December 31, 2013,  
30 amounts equal to the unreimbursed travel, lodging and medical  
31 expenditures directly incurred by a taxpayer while living, or a dependent  
32 of the taxpayer while living, for the donation of one or more human organs  
33 of the taxpayer, or a dependent of the taxpayer, to another person for  
34 human organ transplantation. The expenses may be claimed as a  
35 subtraction modification provided for in this section to the extent the  
36 expenses are not already subtracted from the taxpayer's federal adjusted  
37 gross income. In no circumstances shall the subtraction modification  
38 provided for in this section for any individual, or a dependent, exceed  
39 \$5,000. As used in this section, "human organ" means all or part of a liver,  
40 pancreas, kidney, intestine, lung or bone marrow. The provisions of this  
41 paragraph shall take effect on the day the secretary of revenue certifies to  
42 the director of the budget that the cost for the department of revenue of  
43 modifications to the automated tax system for the purpose of

1 implementing this paragraph will not exceed \$20,000.

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

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

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

22 (xxv) For all taxable years commencing after December 31, 2020,  
23 100% of global intangible low-taxed income under section 951A of the  
24 federal internal revenue code of 1986, before any deductions allowed  
25 under section 250(a)(1)(B) of such code.

26 (xxvi) (1) For all taxable years commencing after December 31,  
27 2020, the amount of any interest expense paid or accrued in the current  
28 taxable year and disallowed as a deduction pursuant to section 163(j) of  
29 the federal internal revenue code.

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

35 (3) For tax year 2021, an amount equal to the sum of any interest  
36 expenses paid or accrued in tax years 2018, 2019 and 2020 less the sum of  
37 amounts allowed as a deduction pursuant to section 163 of the federal  
38 internal revenue code in tax years 2018, 2019 and 2020.

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

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

15 (xxix) For taxable years beginning after December 31, 2017, for an  
16 individual taxpayer who carried back federal net operating losses arising in  
17 a taxable year beginning after December 31, 2017, and before January 1,  
18 2021, pursuant to section 172(b)(1) of the federal internal revenue code as  
19 amended by the coronavirus aid, relief, and economic security act  
20 (CARES act), the amount of such federal net operating loss carryback for  
21 each applicable year. If the amount of such federal net operating loss  
22 carryback exceeds the taxpayer's Kansas adjusted gross income for such  
23 taxable year, the amount thereof that exceeds such Kansas adjusted gross  
24 income may be carried forward as a subtraction modification in the  
25 following taxable year or years until the total amount of such federal net  
26 operating loss carryback has been deducted, except that no such unused  
27 amount shall be carried forward for deduction as a subtraction  
28 modification after the 20<sup>th</sup> taxable year following the taxable year of the  
29 net operating loss. Notwithstanding any other provision of law to the  
30 contrary, an extension of time shall be allowed for a claim for refund or  
31 amended return for tax years 2018, 2019 or 2020 limited to the application  
32 of the provisions of this paragraph and such claim for refund or amended  
33 return must be filed on or before April 15, 2025.

34 (xxx) For all taxable years beginning after December 31, 2024: (1)  
35 The amount contributed to an adoption savings account pursuant to K.S.A.  
36 2024 Supp. 38-2503, and amendments thereto, in an amount not to exceed  
37 \$6,000 for an individual or \$12,000 for a married couple filing a joint  
38 return; or (2) amounts received as income earned from assets in an  
39 adoption savings account.

40 (xxxi) *For taxable years commencing after December 31, 2024, the*  
41 *amount of any net gain from the sale of specie, as defined in section 2, and*  
42 *amendments thereto, except the sale of specie as a taxable distribution*  
43 *from any retirement plan account that holds specie.*

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

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

10 Sec. 8. K.S.A. 2024 Supp. 79-32,117 is hereby repealed.

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