

SESSION OF 2012

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2480

As Recommended by House Committee on
Taxation

Brief*

HB 2480 would amend the Kansas income tax subtraction modification at KSA 79-32,117(vii), relating to the exemption for "retirement benefits from a defined benefit plan" in order to clarify that Thrift Savings Plan distributions are not exempt from Kansas income tax. The bill also would make a technical correction updating the statutory references concerning the railroad retirement annuities subtraction modification.

Background

The bill was introduced at the request of the Department of Revenue to codify their existing interpretation due to a pending administrative appeal challenging such interpretation.

The Department expects no fiscal impact to passage of this bill because it is a codification of the existing interpretation. However, should the pending administrative appeal be successful, the potential negative fiscal impact associated with a failure to pass this bill is estimated at \$6 million per fiscal year with an annual growth factor of 5 percent.

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