

SESSION OF 2024

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 306**

As Amended by Senate Committee on  
Assessment and Taxation

**Brief\***

SB 306, as amended, would create an addition modification in determining Kansas Adjusted Gross Income, beginning in tax year 2022, for reported losses on any applicable federal income tax return arising from any investment, including any alternative asset investment, in a Technology-Enabled Fiduciary Financial Institution (TEFFI).

[*Note:* The TEFFI Act defines “alternative asset” as professionally managed investment assets that are not publicly traded, including, but not limited to, private equity, venture capital, leveraged buyouts, special situations, structured credit, private debt, and private real estate funds and natural resources, including any economic benefit or beneficial interest.]

The bill would also make technical changes to remove outdated language and update statutory references.

**Background**

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Holland.

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

### ***Senate Committee on Assessment and Taxation***

In the Senate Committee hearing, **proponent** testimony was provided by Senator Holland, who generally stated the bill would provide transparency into TEFFI transactions and protect the State General Fund (SGF) from unforeseen draw downs.

Written-only opponent testimony was provided by a representative of The Beneficient Company Group, LP.

No other testimony was provided.

The Committee made a technical change to update statutory references.

### **Fiscal Information**

According to the fiscal note prepared by the Division of Budget on the bill during the 2023 Legislative Session, the Department of Revenue indicates enactment of the bill has the potential to increase SGF revenue by negligible amounts beginning in FY 2024.

Any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

Taxation; Income tax; Technology-enabled Fiduciary Financial Institution;