

HOUSE BILL No. 2178

By Committee on Taxation

1-26

1 AN ACT concerning income tax; relating to rates; itemized deductions,
2 certain medical expenses; amending K.S.A. 2016 Supp. 79-32,110 and
3 79-32,120 and repealing the existing sections; also repealing K.S.A.
4 2016 Supp. 79-32,269.

5

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

7 Section 1. K.S.A. 2016 Supp. 79-32,110 is hereby amended to read as
8 follows: 79-32,110. (a) *Resident Individuals*. Except as otherwise provided
9 by K.S.A. 79-3220(a), and amendments thereto, a tax is hereby imposed
10 upon the Kansas taxable income of every resident individual, which tax
11 shall be computed in accordance with the following tax schedules:

12 (1) *Married individuals filing joint returns*.

13 (A) For tax year 2012:

14 If the taxable income is:	The tax is:
15 Not over \$30,000.....	3.5% of Kansas taxable income
16 Over \$30,000 but not over \$60,000.....	\$1,050 plus 6.25% of excess 17 over \$30,000
18 Over \$60,000.....	\$2,925 plus 6.45% of excess 19 over \$60,000

20 (B) For tax year 2013:

21 If the taxable income is:	The tax is:
22 Not over \$30,000.....	3.0% of Kansas taxable income
23 Over \$30,000.....	\$900 plus 4.9% of excess over 24 \$30,000

25 (C) For tax year 2014:

26 If the taxable income is:	The tax is:
27 Not over \$30,000.....	2.7% of Kansas taxable income
28 Over \$30,000.....	\$810 plus 4.8% of excess over 29 \$30,000

30 (D) For tax years 2015; ~~and 2016 and 2017~~:

31 If the taxable income is:	The tax is:
32 Not over \$30,000.....	2.7% of Kansas taxable income
33 Over \$30,000.....	\$810 plus 4.6% of excess over 34 \$30,000

35 (E) For tax year ~~2018~~ 2017, and all tax years thereafter:

36 If the taxable income is: The tax is:

1	Not over \$30,000.....	2.6% 2.7% of Kansas taxable income
2	Over \$30,000.....	\$780 \$810 plus 4.6% 5.25% of excess over
3		\$30,000
4	(2) <i>All other individuals.</i>	
5	(A) For tax year 2012:	
6	If the taxable income is:	The tax is:
7	Not over \$15,000.....	3.5% of Kansas taxable income
8	Over \$15,000 but not over	
9	\$30,000.....	\$525 plus 6.25% of excess
10		over \$15,000
11	Over \$30,000.....	\$1,462.50 plus 6.45% of excess
12		over \$30,000

13	(B) For tax year 2013:	
14	If the taxable income is:	The tax is:
15	Not over \$15,000.....	3.0% of Kansas taxable income
16	Over \$15,000.....	\$450 plus 4.9% of excess over
17		\$15,000

18	(C) For tax year 2014:	
19	If the taxable income is:	The tax is:
20	Not over \$15,000.....	2.7% of Kansas taxable income
21	Over \$15,000.....	\$405 plus 4.8% of excess over
22		\$15,000

23	(D) For tax years 2015; and 2016 and 2017:	
24	If the taxable income is:	The tax is:
25	Not over \$15,000.....	2.7% of Kansas taxable income
26	Over \$15,000.....	\$405 plus 4.6% of excess over
27		\$15,000

28	(E) For tax year 2018 2017, and all tax years thereafter:	
29	If the taxable income is:	The tax is:
30	Not over \$15,000.....	2.6% 2.7% of Kansas taxable income
31	Over \$15,000.....	\$390 \$405 plus 4.6% 5.25% of excess over
32		\$15,000

33 (b) *Nonresident Individuals.* A tax is hereby imposed upon the Kansas
34 taxable income of every nonresident individual, which tax shall be an
35 amount equal to the tax computed under subsection (a) as if the
36 nonresident were a resident multiplied by the ratio of modified Kansas
37 source income to Kansas adjusted gross income.

38 (c) *Corporations.* A tax is hereby imposed upon the Kansas taxable
39 income of every corporation doing business within this state or deriving
40 income from sources within this state. Such tax shall consist of a normal
41 tax and a surtax and shall be computed as follows:

42 (1) The normal tax shall be in an amount equal to 4% of the Kansas
43 taxable income of such corporation; and

1 (2) (A) for tax year 2008, the surtax shall be in an amount equal to
2 3.1% of the Kansas taxable income of such corporation in excess of
3 \$50,000;

4 (B) for tax years 2009 and 2010, the surtax shall be in an amount
5 equal to 3.05% of the Kansas taxable income of such corporation in excess
6 of \$50,000; and

7 (C) for tax year 2011, and all tax years thereafter, the surtax shall be
8 in an amount equal to 3% of the Kansas taxable income of such
9 corporation in excess of \$50,000.

10 (d) *Fiduciaries*. A tax is hereby imposed upon the Kansas taxable
11 income of estates and trusts at the rates provided in subsection (a)(2)
12 hereof.

13 (e) Tax rates provided in this section shall be adjusted pursuant to the
14 provisions of K.S.A. 2016 Supp. 79-32,269, and amendments thereto.

15 (f) Notwithstanding the provisions of subsections (a) and (b), for tax
16 year 2016, and all tax years thereafter, married individuals filing joint
17 returns with taxable income of \$12,500 or less, and all other individuals
18 with taxable income of \$5,000 or less, shall have a tax liability of zero.

19 (g) *Any taxpayer whose withholding or estimated tax payments were*
20 *based upon the rates as provided in subsection (a) as it appears on June*
21 *30, 2017, shall not be assessed penalties and interest arising from the*
22 *under payment of taxes due to changes to the rates in subsection (a) that*
23 *became law on July 1, 2017, so long as such underpayment is rectified on*
24 *or before April 15, 2018.*

25 Sec. 2. K.S.A. 2016 Supp. 79-32,120 is hereby amended to read as
26 follows: 79-32,120. (a) (1) If federal taxable income of an individual is
27 determined by itemizing deductions from such individual's federal
28 adjusted gross income, such individual may elect to deduct the Kansas
29 itemized deduction in lieu of the Kansas standard deduction.

30 (2) For the tax year commencing on January 1, 2013, the Kansas
31 itemized deduction of an individual means 70% of the total amount of
32 deductions from federal adjusted gross income, other than federal
33 deductions for personal exemptions, as provided in the federal internal
34 revenue code with the modifications specified in this section.

35 (3) For the tax year commencing on January 1, 2014, the Kansas
36 itemized deduction of an individual means 65% of the total amount of
37 deductions from federal adjusted gross income, other than federal
38 deductions for personal exemptions, as provided in the federal internal
39 revenue code with the modifications specified in this section.

40 (4) For the tax years commencing on and after January 1, 2015, *and*
41 *ending before January 1, 2017*, the Kansas itemized deduction of an
42 individual means the following deductions from federal adjusted gross
43 income, other than federal deductions for personal exemptions, as

1 provided in the federal internal revenue code with the modifications
2 specified in this section: (A) 100% of charitable contributions that qualify
3 as charitable contributions allowable as deductions in section 170 of the
4 federal internal revenue code; (B) 50% of the amount of qualified
5 residence interest as provided in section 163(h) of the federal internal
6 revenue code; and (C) 50% of the amount of taxes on real and personal
7 property as provided in section 164(a) of the federal internal revenue code.

8 (5) *For the tax years commencing on and after January 1, 2017, the*
9 *Kansas itemized deduction of an individual means the following*
10 *deductions from federal adjusted gross income, other than federal*
11 *deductions for personal exemptions, as provided in the federal internal*
12 *revenue code with the modifications specified in this section: (A) 100% of*
13 *charitable contributions that qualify as charitable contributions allowable*
14 *as deductions in section 170 of the federal internal revenue code; (B)*
15 *except any amounts required to be added to federal adjusted gross income*
16 *pursuant to K.S.A. 79-32,117(b)(xxiv) or (xxv), and amendments thereto,*
17 *100% of expenses for medical care allowable as deductions in section 213*
18 *of the federal internal revenue code; (C) 50% of the amount of qualified*
19 *residence interest as provided in section 163(h) of the federal internal*
20 *revenue code; and (D) 50% of the amount of taxes on real and personal*
21 *property as provided in section 164(a) of the federal internal revenue*
22 *code.*

23 (b) The total amount of deductions from federal adjusted gross
24 income shall be reduced by the total amount of income taxes imposed by
25 or paid to this state or any other taxing jurisdiction to the extent that the
26 same are deducted in determining the federal itemized deductions and by
27 the amount of all depreciation deductions claimed for any real or tangible
28 personal property upon which the deduction allowed by K.S.A. 2016
29 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250,
30 79-32,255 or 79-32,256, and amendments thereto, is or has been claimed.

31 Sec. 3. K.S.A. 2016 Supp. 79-32,110, 79-32,120 and 79-32,269 are
32 hereby repealed.

33 Sec. 4. This act shall take effect and be in force from and after its
34 publication in the statute book.