

SESSION OF 2022

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 430**

As Recommended by Senate Committee on  
Assessment and Taxation

**Brief\***

SB 430 would permit, for individual income tax year 2006, a taxpayer to carry back a net operating loss incurred from the sale at a loss of a historic hotel located in a community with less than 2,500 citizens and improved by funds borrowed against the hotel and farmland owned by the taxpayer that is located within 20 miles of the hotel, for up to 3 years to offset the gain on the sale of such farmland if the majority of the proceeds from the sale of the farmland were used to pay off the mortgage on the historic hotel.

The bill would permit the taxpayer to file an amended return for the 3 prior years.

**Background**

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Tyson on behalf of a private citizen.

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

In the Senate Committee hearing, a private citizen testified as a **proponent**, stating the bill would allow him to offset a loss he incurred from the sale of a historic hotel in 2006 against gains he incurred from a 2005 sale of farmland. No other testimony was provided.

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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>

The Senate Committee recommended the bill be placed on the Consent Calendar.

**Fiscal information**

According to the fiscal note prepared on the bill by the Division of the Budget, the Department of Revenue estimates enactment of the bill would result in a reduction of revenues to the State General Fund, but is unable to provide a specific estimate due to taxpayer confidentiality rules. Any fiscal effect associated with the bill is not reflected in *The FY 2023 Governor's Budget*.

Taxation; income tax; net operating loss; historic hotel