SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2465

As Recommended by House Committee on Taxation

Brief*

HB 2465 would clarify that the tax on electing entities under the SALT Parity Act would be levied on:

- The pro rata or distributive share of the entity’s income for each resident and nonresident owner that is attributable to Kansas, and
- The pro rata or distributive share of the entity’s income for each resident owner that is not attributable to Kansas.

The bill would provide that tax credits attributable to the electing entity would be passed through to and claimed by the entity owner.

The provisions of the bill would be retroactive to tax year 2022.

Background

The bill was introduced by the House Committee on Taxation at the request of Representative Helgerson.

House Committee on Taxation

In the House Committee hearing, proponent testimony was provided by a representative of the Kansas Society of

*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
Certified Public Accountants, who generally stated the bill would resolve technical discrepancies related to the SALT Parity Act.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue indicates enactment of the bill would have no effect on state receipts.