

2023 Kansas Statutes

79-32,287. Tax rate imposed; credit allowance. (a) With respect to any taxable period for which it has made the election under K.S.A. 2023 Supp. 79-32,286, and amendments thereto, an electing pass-through entity shall be subject to a tax in an amount equal to 5.7% of the sum of each resident electing pass-through entity owner's distributive share of the electing pass-through entity's income and each nonresident electing pass-through entity owner's distributive share of income attributable to the state, all as determined pursuant to K.S.A. 79-32,130, 79-32,131, 79-32,133 and 79-32,139, and amendments thereto.

(b) An electing pass-through entity shall be treated as a corporation under K.S.A. 79-32,101, and amendments thereto, with respect to the tax imposed under this act, except that K.S.A. 79-32,107, and amendments thereto, shall not apply during the first taxable period for which this act is applicable.

(c) Any credit allowed pursuant to article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, except K.S.A. 79-32,111(a), and amendments thereto, that is attributable to the activities of an electing pass-through entity in the taxable year shall be claimed by the entity and not passed through to or claimed by the electing pass-through entity owner only for taxable periods when the election is allowed and made by an electing pass-through entity under K.S.A. 2023 Supp. 79-32,286, and amendments thereto. Notwithstanding any provision to the contrary in article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, any excess income tax credit, net operating loss or other modification may be carried forward on the electing pass-through entity's return but may only be utilized in a year in which the electing pass-through entity has made the election allowed in K.S.A. 2023 Supp. 79-32,286, and amendments thereto, except that any limitation specified in the specific section for an income tax credit, the net operating loss or any other modification shall apply to the electing pass-through entity. If in a taxable period subsequent to a period in which an election under K.S.A. 2023 Supp. 79-32,286, and amendments thereto, was made, an election under K.S.A. 2023 Supp. 79-32,286, and amendments thereto, is not allowed or not made by an electing pass-through entity, any excess income tax credits may be transferred to the electing pass-through entity owners. Any excess income tax credits shall be available to each electing pass-through owner in the same proportion and manner as would have applied without the election under K.S.A. 2023 Supp. 79-32,286, and amendments thereto, for the taxable period in which each respective income tax credit was generated. All other rights and obligations pertaining to the excess income tax credits shall be transferred to the electing pass-through entity owners.

(d) The provisions of article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, regarding the collection, administration and enforcement of tax shall be applicable to the tax due under this section, and notwithstanding the provisions of K.S.A. 79-32,129 and 79-32,139, and amendments thereto, an electing pass-through entity shall be a taxpayer.

History: L. 2022, ch. 63, § 4; July 1.