

SESSION OF 2020

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2490

As Recommended by House Committee on
Taxation

Brief*

HB 2490 would allow Kansas income taxpayers to carry forward net operating losses for 20 years, beginning with such losses incurred in tax year 2018. Current law provides for net operating losses to be carried forward for 10 years.

Background

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

In the House Committee hearing on February 10, a representative of the Sprint Corporation appeared as a proponent, noting that expanding the net operating loss carry-forward availability from 10 to 20 years would bring Kansas into closer conformity with most other states. The Kansas Chamber also submitted written-only proponent testimony.

The House Committee recommended that the bill be placed on the Consent Calendar.

According to the fiscal note prepared by the Division of Budget, the Department of Revenue indicates the bill would reduce State General Fund (SGF) receipts by about \$1.4 million annually beginning in FY 2030; and that the Department would require an additional \$140,892 from the SGF in FY 2021 to modify its automated tax system.

*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>