

SENATE BILL No. 445

By Committee on Assessment and Taxation

3-9

1 AN ACT concerning savings programs; relating to beneficiaries of ABLE
2 accounts, transfers, qualified higher education expenses; income
3 taxation, deduction for contributions; amending K.S.A. 2017 Supp. 75-
4 655 and 79-32,117 and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2017 Supp. 75-655 is hereby amended to read as
8 follows: 75-655. (a) Any ABLE savings accounts established pursuant to
9 the provisions of this act shall be opened by a designated beneficiary or a
10 conservator or guardian of a designated beneficiary who lacks capacity to
11 enter into a contract and each beneficiary may have only one account. The
12 treasurer may establish a nonrefundable application fee. An application for
13 such account shall be in the form prescribed by the treasurer and contain
14 the:

- 15 (1) Name, address and social security number of the account owner;
16 (2) name, address and social security number of the designated
17 beneficiary, if the account owner is the beneficiary's conservator or
18 guardian;
19 (3) certification relating to no excess contributions; and
20 (4) additional information as the treasurer may require.

21 (b) Any person may make contributions to an ABLE savings account
22 after the account is opened, subject to the limitations imposed by section
23 529A of the federal internal revenue code of 1986, as amended, or any
24 rules and regulations promulgated by the secretary pursuant to this act.

25 (c) Contributions to ABLE savings accounts only may be made in
26 cash. The treasurer or program manager shall reject or promptly withdraw
27 contributions:

- 28 (1) In excess of the limits established pursuant to subsection (b); or
29 (2) the total contributions if the:
30 (A) Value of the account is equal to or greater than the account
31 maximum established by the treasurer. Such account maximum must be
32 equal to the account maximum for postsecondary education savings
33 accounts established pursuant to K.S.A. 75-640 et seq., and amendments
34 thereto; or
35 (B) designated beneficiary is not an eligible individual in the current
36 calendar year.

1 (d) (1) An account owner may:

2 (A) Change the designated beneficiary of an account to an individual
3 who is a member of the family of the prior designated beneficiary in
4 accordance with procedures established by the treasurer; and

5 (B) transfer all or a portion of an account to another ABLE savings
6 account, the designated beneficiary of which is a member of the family as
7 defined in section 529A of the federal internal revenue code of 1986, as
8 amended.

9 (2) No account owner may use an interest in an account as security
10 for a loan. Any pledge of an interest in an account shall be of no force and
11 effect.

12 (e) (1) If there is any distribution from an account to any individual or
13 for the benefit of any individual during a calendar year, such distribution
14 shall be reported to the federal internal revenue service and each account
15 owner, the designated beneficiary or the distributee to the extent required
16 by state or federal law.

17 (2) Statements shall be provided to each account owner at least four
18 times each year within 30 days after the end of the three-month period to
19 which a statement relates. The statement shall identify the contributions
20 made during the preceding three-month period, the total contributions
21 made to the account through the end of the period, the value of the account
22 at the end of such period, distributions made during such period and any
23 other information that the treasurer shall require to be reported to the
24 account owner.

25 (3) Statements and information relating to accounts shall be prepared
26 and filed to the extent required by this act and any other state or federal
27 law.

28 (f) (1) The program shall provide separate accounting for each
29 designated beneficiary. An annual fee may be imposed upon the account
30 owner for the maintenance of an account.

31 (2) Moneys in an ABLE savings account:

32 (A) shall be exempt from attachment, execution or garnishment as
33 provided by K.S.A. 60-2308, and amendments thereto; and

34 (B) may be claimed by the Kansas medicaid plan only after the death
35 of the designated beneficiary subject to limitations imposed by the
36 secretary.

37 (g) *Except as otherwise provided by federal law, the proceeds from*
38 *an amount may be transferred upon the death of a designated beneficiary*
39 *to: (1) The estate of a designated beneficiary; or (2) an account for*
40 *another eligible individual specified by the designated beneficiary or the*
41 *estate of the designated beneficiary. The state of Kansas, or any agency or*
42 *instrumentality thereof, shall not seek payment under section 529A of the*
43 *internal revenue code of 1986, as amended, from the account, or its*

1 *proceeds, for benefits provided to a designated beneficiary.*

2 Sec. 2. K.S.A. 2017 Supp. 79-32,117 is hereby amended to read as
3 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual
4 means such individual's federal adjusted gross income for the taxable year,
5 with the modifications specified in this section.

6 (b) There shall be added to federal adjusted gross income:

7 (i) Interest income less any related expenses directly incurred in the
8 purchase of state or political subdivision obligations, to the extent that the
9 same is not included in federal adjusted gross income, on obligations of
10 any state or political subdivision thereof, but to the extent that interest
11 income on obligations of this state or a political subdivision thereof issued
12 prior to January 1, 1988, is specifically exempt from income tax under the
13 laws of this state authorizing the issuance of such obligations, it shall be
14 excluded from computation of Kansas adjusted gross income whether or
15 not included in federal adjusted gross income. Interest income on
16 obligations of this state or a political subdivision thereof issued after
17 December 31, 1987, shall be excluded from computation of Kansas
18 adjusted gross income whether or not included in federal adjusted gross
19 income.

20 (ii) Taxes on or measured by income or fees or payments in lieu of
21 income taxes imposed by this state or any other taxing jurisdiction to the
22 extent deductible in determining federal adjusted gross income and not
23 credited against federal income tax. This paragraph shall not apply to taxes
24 imposed under the provisions of K.S.A. 79-1107 or 79-1108, and
25 amendments thereto, for privilege tax year 1995, and all such years
26 thereafter.

27 (iii) The federal net operating loss deduction, except that the federal
28 net operating loss deduction shall not be added to an individual's federal
29 adjusted gross income for tax years beginning after December 31, 2016.

30 (iv) Federal income tax refunds received by the taxpayer if the
31 deduction of the taxes being refunded resulted in a tax benefit for Kansas
32 income tax purposes during a prior taxable year. Such refunds shall be
33 included in income in the year actually received regardless of the method
34 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall
35 be deemed to have resulted if the amount of the tax had been deducted in
36 determining income subject to a Kansas income tax for a prior year
37 regardless of the rate of taxation applied in such prior year to the Kansas
38 taxable income, but only that portion of the refund shall be included as
39 bears the same proportion to the total refund received as the federal taxes
40 deducted in the year to which such refund is attributable bears to the total
41 federal income taxes paid for such year. For purposes of the foregoing
42 sentence, federal taxes shall be considered to have been deducted only to
43 the extent such deduction does not reduce Kansas taxable income below

1 zero.

2 (v) The amount of any depreciation deduction or business expense
3 deduction claimed on the taxpayer's federal income tax return for any
4 capital expenditure in making any building or facility accessible to the
5 handicapped, for which expenditure the taxpayer claimed the credit
6 allowed by K.S.A. 79-32,177, and amendments thereto.

7 (vi) Any amount of designated employee contributions picked up by
8 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,
9 and amendments thereto.

10 (vii) The amount of any charitable contribution made to the extent the
11 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
12 32,196, and amendments thereto.

13 (viii) The amount of any costs incurred for improvements to a swine
14 facility, claimed for deduction in determining federal adjusted gross
15 income, to the extent the same is claimed as the basis for any credit
16 allowed pursuant to K.S.A. 2017 Supp. 79-32,204, and amendments
17 thereto.

18 (ix) The amount of any ad valorem taxes and assessments paid and
19 the amount of any costs incurred for habitat management or construction
20 and maintenance of improvements on real property, claimed for deduction
21 in determining federal adjusted gross income, to the extent the same is
22 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,
23 and amendments thereto.

24 (x) Amounts received as nonqualified withdrawals, as defined by
25 K.S.A. 2017 Supp. 75-643, and amendments thereto, if, at the time of
26 contribution to a family postsecondary education savings account, such
27 amounts were subtracted from the federal adjusted gross income pursuant
28 to K.S.A. 79-32,117(c)(xv), and amendments thereto, or if such amounts
29 are not already included in the federal adjusted gross income.

30 (xi) The amount of any contribution made to the same extent the
31 same is claimed as the basis for the credit allowed pursuant to K.S.A. 2017
32 Supp. 74-50,154, and amendments thereto.

33 (xii) For taxable years commencing after December 31, 2004,
34 amounts received as withdrawals not in accordance with the provisions of
35 K.S.A. 2017 Supp. 74-50,204, and amendments thereto, if, at the time of
36 contribution to an individual development account, such amounts were
37 subtracted from the federal adjusted gross income pursuant to subsection
38 (c)(xiii), or if such amounts are not already included in the federal adjusted
39 gross income.

40 (xiii) The amount of any expenditures claimed for deduction in
41 determining federal adjusted gross income, to the extent the same is
42 claimed as the basis for any credit allowed pursuant to K.S.A. 2017 Supp.
43 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

1 (xiv) The amount of any amortization deduction claimed in
2 determining federal adjusted gross income to the extent the same is
3 claimed for deduction pursuant to K.S.A. 2017 Supp. 79-32,221, and
4 amendments thereto.

5 (xv) The amount of any expenditures claimed for deduction in
6 determining federal adjusted gross income, to the extent the same is
7 claimed as the basis for any credit allowed pursuant to K.S.A. 2017 Supp.
8 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233
9 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-
10 32,248 or 79-32,251 through 79-32,254, and amendments thereto.

11 (xvi) The amount of any amortization deduction claimed in
12 determining federal adjusted gross income to the extent the same is
13 claimed for deduction pursuant to K.S.A. 2017 Supp. 79-32,227, 79-
14 32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments
15 thereto.

16 (xvii) The amount of any amortization deduction claimed in
17 determining federal adjusted gross income to the extent the same is
18 claimed for deduction pursuant to K.S.A. 2017 Supp. 79-32,256, and
19 amendments thereto.

20 (xviii) For taxable years commencing after December 31, 2006, the
21 amount of any ad valorem or property taxes and assessments paid to a state
22 other than Kansas or local government located in a state other than Kansas
23 by a taxpayer who resides in a state other than Kansas, when the law of
24 such state does not allow a resident of Kansas who earns income in such
25 other state to claim a deduction for ad valorem or property taxes or
26 assessments paid to a political subdivision of the state of Kansas in
27 determining taxable income for income tax purposes in such other state, to
28 the extent that such taxes and assessments are claimed as an itemized
29 deduction for federal income tax purposes.

30 (xix) For taxable years beginning after December 31, 2012, and
31 ending before January 1, 2017, the amount of any: (1) Loss from business
32 as determined under the federal internal revenue code and reported from
33 schedule C and on line 12 of the taxpayer's form 1040 federal individual
34 income tax return; (2) loss from rental real estate, royalties, partnerships, S
35 corporations, except those with wholly owned subsidiaries subject to the
36 Kansas privilege tax, estates, trusts, residual interest in real estate
37 mortgage investment conduits and net farm rental as determined under the
38 federal internal revenue code and reported from schedule E and on line 17
39 of the taxpayer's form 1040 federal individual income tax return; and (3)
40 farm loss as determined under the federal internal revenue code and
41 reported from schedule F and on line 18 of the taxpayer's form 1040
42 federal income tax return; all to the extent deducted or subtracted in
43 determining the taxpayer's federal adjusted gross income. For purposes of

1 this subsection, references to the federal form 1040 and federal schedule
2 C, schedule E, and schedule F, shall be to such form and schedules as they
3 existed for tax year 2011, and as revised thereafter by the internal revenue
4 service.

5 (xx) For taxable years beginning after December 31, 2012, and
6 ending before January 1, 2017, the amount of any deduction for self-
7 employment taxes under section 164(f) of the federal internal revenue
8 code as in effect on January 1, 2012, and amendments thereto, in
9 determining the federal adjusted gross income of an individual taxpayer, to
10 the extent the deduction is attributable to income reported on schedule C,
11 E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income
12 tax return.

13 (xxi) For taxable years beginning after December 31, 2012, and
14 ending before January 1, 2017, the amount of any deduction for pension,
15 profit sharing, and annuity plans of self-employed individuals under
16 section 62(a)(6) of the federal internal revenue code as in effect on January
17 1, 2012, and amendments thereto, in determining the federal adjusted gross
18 income of an individual taxpayer.

19 (xxii) For taxable years beginning after December 31, 2012, and
20 ending before January 1, 2017, the amount of any deduction for health
21 insurance under section 162(l) of the federal internal revenue code as in
22 effect on January 1, 2012, and amendments thereto, in determining the
23 federal adjusted gross income of an individual taxpayer.

24 (xxiii) For taxable years beginning after December 31, 2012, and
25 ending before January 1, 2017, the amount of any deduction for domestic
26 production activities under section 199 of the federal internal revenue code
27 as in effect on January 1, 2012, and amendments thereto, in determining
28 the federal adjusted gross income of an individual taxpayer.

29 (xxiv) For taxable years commencing after December 31, 2013, that
30 portion of the amount of any expenditure deduction claimed in
31 determining federal adjusted gross income for expenses paid for medical
32 care of the taxpayer or the taxpayer's spouse or dependents when such
33 expenses were paid or incurred for an abortion, or for a health benefit plan,
34 as defined in K.S.A. 2017 Supp. 65-6731, and amendments thereto, for the
35 purchase of an optional rider for coverage of abortion in accordance with
36 K.S.A. 2017 Supp. 40-2,190, and amendments thereto, to the extent that
37 such taxes and assessments are claimed as an itemized deduction for
38 federal income tax purposes.

39 (xxv) For taxable years commencing after December 31, 2013, that
40 portion of the amount of any expenditure deduction claimed in
41 determining federal adjusted gross income for expenses paid by a taxpayer
42 for health care when such expenses were paid or incurred for abortion
43 coverage, a health benefit plan, as defined in K.S.A. 2017 Supp. 65-6731,

1 and amendments thereto, when such expenses were paid or incurred for
2 abortion coverage or amounts contributed to health savings accounts for
3 such taxpayer's employees for the purchase of an optional rider for
4 coverage of abortion in accordance with K.S.A. 2017 Supp. 40-2,190, and
5 amendments thereto, to the extent that such taxes and assessments are
6 claimed as a deduction for federal income tax purposes.

7 (c) There shall be subtracted from federal adjusted gross income:

8 (i) Interest or dividend income on obligations or securities of any
9 authority, commission or instrumentality of the United States and its
10 possessions less any related expenses directly incurred in the purchase of
11 such obligations or securities, to the extent included in federal adjusted
12 gross income but exempt from state income taxes under the laws of the
13 United States.

14 (ii) Any amounts received which are included in federal adjusted
15 gross income but which are specifically exempt from Kansas income
16 taxation under the laws of the state of Kansas.

17 (iii) The portion of any gain or loss from the sale or other disposition
18 of property having a higher adjusted basis for Kansas income tax purposes
19 than for federal income tax purposes on the date such property was sold or
20 disposed of in a transaction in which gain or loss was recognized for
21 purposes of federal income tax that does not exceed such difference in
22 basis, but if a gain is considered a long-term capital gain for federal
23 income tax purposes, the modification shall be limited to that portion of
24 such gain which is included in federal adjusted gross income.

25 (iv) The amount necessary to prevent the taxation under this act of
26 any annuity or other amount of income or gain which was properly
27 included in income or gain and was taxed under the laws of this state for a
28 taxable year prior to the effective date of this act, as amended, to the
29 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
30 the right to receive the income or gain, or to a trust or estate from which
31 the taxpayer received the income or gain.

32 (v) The amount of any refund or credit for overpayment of taxes on
33 or measured by income or fees or payments in lieu of income taxes
34 imposed by this state, or any taxing jurisdiction, to the extent included in
35 gross income for federal income tax purposes.

36 (vi) Accumulation distributions received by a taxpayer as a
37 beneficiary of a trust to the extent that the same are included in federal
38 adjusted gross income.

39 (vii) Amounts received as annuities under the federal civil service
40 retirement system from the civil service retirement and disability fund and
41 other amounts received as retirement benefits in whatever form which
42 were earned for being employed by the federal government or for service
43 in the armed forces of the United States.

1 (viii) Amounts received by retired railroad employees as a
2 supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and
3 228c (a)(1) et seq.

4 (ix) Amounts received by retired employees of a city and by retired
5 employees of any board of such city as retirement allowances pursuant to
6 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter
7 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and
8 amendments thereto.

9 (x) For taxable years beginning after December 31, 1976, the amount
10 of the federal tentative jobs tax credit disallowance under the provisions of
11 26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the
12 amount of the targeted jobs tax credit and work incentive credit
13 disallowances under 26 U.S.C. § 280 C.

14 (xi) For taxable years beginning after December 31, 1986, dividend
15 income on stock issued by Kansas venture capital, inc.

16 (xii) For taxable years beginning after December 31, 1989, amounts
17 received by retired employees of a board of public utilities as pension and
18 retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249,
19 and amendments thereto.

20 (xiii) For taxable years beginning after December 31, 2004, amounts
21 contributed to and the amount of income earned on contributions deposited
22 to an individual development account under K.S.A. 2017 Supp. 74-50,201
23 et seq., and amendments thereto.

24 (xiv) For all taxable years commencing after December 31, 1996, that
25 portion of any income of a bank organized under the laws of this state or
26 any other state, a national banking association organized under the laws of
27 the United States, an association organized under the savings and loan
28 code of this state or any other state, or a federal savings association
29 organized under the laws of the United States, for which an election as an
30 S corporation under subchapter S of the federal internal revenue code is in
31 effect, which accrues to the taxpayer who is a stockholder of such
32 corporation and which is not distributed to the stockholders as dividends of
33 the corporation. For taxable years beginning after December 31, 2012, and
34 ending before January 1, 2017, the amount of modification under this
35 subsection shall exclude the portion of income or loss reported on schedule
36 E and included on line 17 of the taxpayer's form 1040 federal individual
37 income tax return.

38 (xv) For all taxable years beginning after December 31, ~~2006~~ 2017,
39 *the cumulative* amounts not exceeding \$3,000, or \$6,000 for a married
40 couple filing a joint return, for each designated beneficiary ~~which~~ *that* are
41 contributed to: (1) A family postsecondary education savings account
42 established under the Kansas postsecondary education savings program or
43 a qualified tuition program established and maintained by another state or

1 agency or instrumentality thereof pursuant to section 529 of the internal
2 revenue code of 1986, as amended, for the purpose of paying the qualified
3 higher education expenses of a designated beneficiary ~~at an institution of~~
4 ~~postsecondary education~~; or (2) *an achieving a better life experience*
5 *(ABLE) account established under the Kansas ABLE savings program or a*
6 *qualified ABLE program established and maintained by another state or*
7 *agency or instrumentality thereof pursuant to section 529A of the internal*
8 *revenue code of 1986, as amended, for the purpose of saving private funds*
9 *to support an individual with a disability.* The terms and phrases used in
10 this paragraph shall have the meaning respectively ascribed thereto by the
11 provisions of K.S.A. 2017 Supp. 75-643 and 75-652, and amendments
12 thereto, and the provisions of such ~~section~~ *sections* are hereby incorporated
13 by reference for all purposes thereof.

14 (xvi) For all taxable years beginning after December 31, 2004,
15 amounts received by taxpayers who are or were members of the armed
16 forces of the United States, including service in the Kansas army and air
17 national guard, as a recruitment, sign up or retention bonus received by
18 such taxpayer as an incentive to join, enlist or remain in the armed services
19 of the United States, including service in the Kansas army and air national
20 guard, and amounts received for repayment of educational or student loans
21 incurred by or obligated to such taxpayer and received by such taxpayer as
22 a result of such taxpayer's service in the armed forces of the United States,
23 including service in the Kansas army and air national guard.

24 (xvii) For all taxable years beginning after December 31, 2004,
25 amounts received by taxpayers who are eligible members of the Kansas
26 army and air national guard as a reimbursement pursuant to K.S.A. 48-
27 281, and amendments thereto, and amounts received for death benefits
28 pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section
29 1 or section 2 of chapter 207 of the 2005 Session Laws of Kansas, and
30 amendments thereto, to the extent that such death benefits are included in
31 federal adjusted gross income of the taxpayer.

32 (xviii) For the taxable year beginning after December 31, 2006,
33 amounts received as benefits under the federal social security act which
34 are included in federal adjusted gross income of a taxpayer with federal
35 adjusted gross income of \$50,000 or less, whether such taxpayer's filing
36 status is single, head of household, married filing separate or married filing
37 jointly; and for all taxable years beginning after December 31, 2007,
38 amounts received as benefits under the federal social security act which
39 are included in federal adjusted gross income of a taxpayer with federal
40 adjusted gross income of \$75,000 or less, whether such taxpayer's filing
41 status is single, head of household, married filing separate or married filing
42 jointly.

43 (xix) Amounts received by retired employees of Washburn university

1 as retirement and pension benefits under the university's retirement plan.

2 (xx) For taxable years beginning after December 31, 2012, and
3 ending before January 1, 2017, the amount of any: (1) Net profit from
4 business as determined under the federal internal revenue code and
5 reported from schedule C and on line 12 of the taxpayer's form 1040
6 federal individual income tax return; (2) net income, not including
7 guaranteed payments as defined in section 707(c) of the federal internal
8 revenue code and as reported to the taxpayer from federal schedule K-1,
9 (form 1065-B), in box 9, code F or as reported to the taxpayer from federal
10 schedule K-1, (form 1065) in box 4, from rental real estate, royalties,
11 partnerships, S corporations, estates, trusts, residual interest in real estate
12 mortgage investment conduits and net farm rental as determined under the
13 federal internal revenue code and reported from schedule E and on line 17
14 of the taxpayer's form 1040 federal individual income tax return; and (3)
15 net farm profit as determined under the federal internal revenue code and
16 reported from schedule F and on line 18 of the taxpayer's form 1040
17 federal income tax return; all to the extent included in the taxpayer's
18 federal adjusted gross income. For purposes of this subsection, references
19 to the federal form 1040 and federal schedule C, schedule E, and schedule
20 F, shall be to such form and schedules as they existed for tax year 2011
21 and as revised thereafter by the internal revenue service.

22 (xxi) For all taxable years beginning after December 31, 2013,
23 amounts equal to the unreimbursed travel, lodging and medical
24 expenditures directly incurred by a taxpayer while living, or a dependent
25 of the taxpayer while living, for the donation of one or more human organs
26 of the taxpayer, or a dependent of the taxpayer, to another person for
27 human organ transplantation. The expenses may be claimed as a
28 subtraction modification provided for in this section to the extent the
29 expenses are not already subtracted from the taxpayer's federal adjusted
30 gross income. In no circumstances shall the subtraction modification
31 provided for in this section for any individual, or a dependent, exceed
32 \$5,000. As used in this section, "human organ" means all or part of a liver,
33 pancreas, kidney, intestine, lung or bone marrow. The provisions of this
34 paragraph shall take effect on the day the secretary of revenue certifies to
35 the director of the budget that the cost for the department of revenue of
36 modifications to the automated tax system for the purpose of
37 implementing this paragraph will not exceed \$20,000.

38 (xxii) For taxable years beginning after December 31, 2012, and
39 ending before January 1, 2017, the amount of net gain from the sale of: (1)
40 Cattle and horses, regardless of age, held by the taxpayer for draft,
41 breeding, dairy or sporting purposes, and held by such taxpayer for 24
42 months or more from the date of acquisition; and (2) other livestock,
43 regardless of age, held by the taxpayer for draft, breeding, dairy or

1 sporting purposes, and held by such taxpayer for 12 months or more from
2 the date of acquisition. The subtraction from federal adjusted gross income
3 shall be limited to the amount of the additions recognized under the
4 provisions of subsection (b)(xix) attributable to the business in which the
5 livestock sold had been used. As used in this paragraph, the term
6 "livestock" shall not include poultry.

7 (xxiii) For all taxable years beginning after December 31, 2012,
8 amounts received under either the Overland Park, Kansas police
9 department retirement plan or the Overland Park, Kansas fire department
10 retirement plan, both as established by the city of Overland Park, pursuant
11 to the city's home rule authority.

12 (xxiv) For taxable years beginning after December 31, 2013, and
13 ending before January 1, 2017, the net gain from the sale from Christmas
14 trees grown in Kansas and held by the taxpayer for six years or more.

15 (d) There shall be added to or subtracted from federal adjusted gross
16 income the taxpayer's share, as beneficiary of an estate or trust, of the
17 Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and
18 amendments thereto.

19 (e) The amount of modifications required to be made under this
20 section by a partner which relates to items of income, gain, loss, deduction
21 or credit of a partnership shall be determined under K.S.A. 79-32,131, and
22 amendments thereto, to the extent that such items affect federal adjusted
23 gross income of the partner.

24 (f) No taxpayer shall be assessed penalties and interest from the
25 underpayment of taxes due to changes to this section that became law on
26 July 1, 2017, so long as such underpayment is rectified on or before April
27 17, 2018.

28 Sec. 3. K.S.A. 2017 Supp. 75-655 and 79-32,117 are hereby repealed.

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