

SENATE BILL No. 1

By Senators Masterson, Alley, Erickson, Kloos and Wilborn

6-18

1 AN ACT concerning taxation; relating to income tax; modifying tax rates
2 for individuals; eliminating the income limit to qualify for a subtraction
3 modification for social security income; increasing the Kansas standard
4 deduction and the Kansas personal exemption; increasing the tax credit
5 amount for household and dependent care expenses; relating to
6 privilege tax; decreasing the normal tax rate; relating to property tax;
7 excluding internal revenue code section 1031 exchange transactions as
8 indicators of fair market value; increasing the extent of exemption for
9 residential property from the statewide school levy; providing for
10 certain transfers to the state school district finance fund; abolishing the
11 local ad valorem tax reduction fund and the county and city revenue
12 sharing fund; amending K.S.A. 65-163j, 65-3306, 65-3327, 75-2556,
13 79-503a, 79-5a27, 79-1107, 79-1108, 79-1479 and 79-32,111c and
14 K.S.A. 2023 Supp. 74-8768, 79-201x, 79-2988, as amended by section
15 15 of 2024 Senate Bill No. 410, 79-32,110, 79-32,117, as amended by
16 section 14 of 2023 Senate Bill No. 27, 79-32,119 and 79-32,121 and
17 repealing the existing sections; also repealing K.S.A. 19-2694, 79-
18 2960, 79-2961, 79-2962, 79-2965, 79-2966 and 79-2967 and K.S.A.
19 2023 Supp. 79-2959, as amended by section 189 of 2023 Senate Bill
20 No. 28, and 79-2964, as amended by section 190 of 2023 Senate Bill
21 No. 28.

22

23 *Be it enacted by the Legislature of the State of Kansas:*

24

25 New Section 1. On July 1, 2024, the director of accounts and reports
26 shall transfer all moneys in the local ad valorem tax reduction fund to the
27 state general fund. On July 1, 2024, all liabilities of the local ad valorem
28 tax reduction fund are hereby transferred to and imposed on the state
29 general fund, and the local ad valorem tax reduction fund is hereby
abolished.

30

31 New Sec. 2. On July 1, 2024, the director of accounts and reports
32 shall transfer all moneys in the county and city revenue sharing fund to the
33 state general fund. On July 1, 2024, all liabilities of the county and city
34 revenue sharing fund are hereby transferred to and imposed on the state
35 general fund, and the county and city revenue sharing fund is hereby
abolished.

36

New Sec. 3. On August 15, 2024, and each August 15 thereafter, the

1 director of the budget, in consultation with the director of property
2 valuation, shall certify to the director of accounts and reports if the
3 exemption provided by K.S.A. 79-201x, and amendments thereto, is
4 increased from \$42,049 for any tax year. The director of the budget shall
5 certify to the director of accounts and reports and shall transfer a copy of
6 such certification to the director of legislative research the amount of
7 revenue that the increase in the exemption provided by K.S.A. 79-201x,
8 and amendments thereto, would have generated for the tax year if the
9 exemption amount was \$42,049. Upon receipt of such certification, or as
10 soon thereafter as moneys are available, the director of accounts and
11 reports shall transfer such certified amount from the state general fund to
12 the state school district finance fund of the department of education.

13 Sec. 4. K.S.A. 65-163j is hereby amended to read as follows: 65-163j.

14 (a) The dedicated source of revenue for repayment of a loan to a
15 municipality may include service charges, connection fees, special
16 assessments, property taxes, grants or any other source of revenue lawfully
17 available to the municipality for such purpose. In order to ensure
18 repayment by municipalities of the amounts of loans provided under this
19 act, the secretary, after consultation with the governing body of any
20 municipality ~~which~~ that receives a loan, may adopt charges to be levied
21 against individuals and entities served by the project. Any such charges
22 shall remain in effect until the total amount of the loan, and any interest
23 thereon, has been repaid. The charges shall, insofar as is practicable, be
24 equitably assessed and may be in the form of a surcharge to the existing
25 charges of the municipality. The governing body of any municipality
26 ~~which~~ that receives a loan under this act shall collect any charges
27 established by the secretary and shall pay the moneys collected therefrom
28 to the secretary in accordance with procedures established by the secretary.

29 ~~(b) Upon the failure of a municipality to meet the repayment terms~~
30 ~~and conditions of the agreement, the secretary may order the treasurer of~~
31 ~~the county in which the municipality is located to pay to the secretary such~~
32 ~~portion of the municipality's share of the local ad valorem tax reduction~~
33 ~~fund as may be necessary to meet the terms of the agreement,~~
34 ~~notwithstanding the provisions of K.S.A. 79-2960 and 79-2961, and~~
35 ~~amendments thereto. Upon the issuance of such an order, the municipality~~
36 ~~shall not be required to make the tax levy reductions otherwise required by~~
37 ~~K.S.A. 79-2960 and 79-2961, and amendments thereto.~~

38 ~~(e)~~ Municipalities ~~which~~ that are provided with loans under this act
39 shall maintain project accounts in accordance with generally accepted
40 government accounting standards.

41 ~~(d)~~(c) Any loans received by a municipality under the provisions of
42 this act shall be construed to be bonds for the purposes of K.S.A. 10-1116
43 and 79-5028, and amendments thereto, and the amount of such loans shall

1 not be included within any limitation on the bonded indebtedness of the
2 municipality.

3 Sec. 5. K.S.A. 65-3306 is hereby amended to read as follows: 65-
4 3306. The secretary's annual request for appropriations to the water
5 pollution control account shall be based on an estimate of the fiscal needs
6 for the ensuing budget year, less any amounts received by the secretary
7 from any public or private grants or contributions and moneys in such
8 account shall be used solely for the purposes provided for by this act.
9 Moneys allocated to a municipality shall be encumbered as an expenditure
10 of this account upon the formal letting of a contract for the improvement
11 notwithstanding the date ~~on which~~ when actual payment is made of the
12 state financial assistance. Any municipality may contribute moneys to the
13 state water pollution control account. If there are no uncommitted or
14 unencumbered moneys in the water pollution control account, any
15 municipality applying for any water pollution control project as defined in
16 K.S.A. 65-3302, *and amendments thereto*, shall as a condition of such
17 application certify in writing to the secretary that a contribution in the
18 amount of ~~twenty-five percent (25%)~~ of the eligible cost of such project
19 will be made to the water pollution control account by such municipality
20 prior to formal letting of a construction contract. Upon receipt by the
21 secretary, each such contribution shall be retained in a subaccount of the
22 water pollution control account for use solely in the project for which the
23 municipality has made application.

24 ~~Notwithstanding the provisions of K.S.A. 79-2960 and 79-2961, any~~
25 ~~municipality applying for such a water pollution control project may make~~
26 ~~such contribution from all or such part of its share of the local ad valorem~~
27 ~~tax reduction fund as may be necessary for such purpose, and to the extent~~
28 ~~such fund is pledged and used for such purpose the municipality shall not~~
29 ~~be required to make the tax levy reductions otherwise required by K.S.A.~~
30 ~~79-2960 and 79-2961. Taxes levied by any municipality by reason of its~~
31 ~~failure to make such reduction in its levies shall not be subject to or be~~
32 ~~considered in computing the aggregate limitation upon the levy of taxes by~~
33 ~~such municipality under the provisions of K.S.A. 79-5003.~~

34 Sec. 6. K.S.A. 65-3327 is hereby amended to read as follows: 65-
35 3327. (a) The dedicated source of revenue for repayment of the loans may
36 include service charges, connection fees, special assessments, property
37 taxes, grants or any other source of revenue lawfully available to the
38 municipality for such purpose. In order to ensure repayment by
39 municipalities of the amounts of loans provided under K.S.A. 65-3321
40 through 65-3329, and amendments thereto, the secretary, after consultation
41 with the governing body of any municipality which receives a loan, may
42 adopt charges to be levied against users of the project. Any such charges
43 shall remain in effect until the total amount of the loan, and any interest

1 thereon, has been repaid. The charges shall, insofar as is practicable, be
2 equitably assessed and may be in the form of a surcharge to the existing
3 charges of the municipality. The governing body of any municipality
4 which receives a loan under K.S.A. 65-3321 through 65-3329, and
5 amendments thereto, shall collect any charges established by the secretary
6 and shall pay the moneys collected therefrom to the secretary in
7 accordance with procedures established by the secretary.

8 ~~(b) Upon the failure of a municipality to meet the repayment terms~~
9 ~~and conditions of the agreement, the secretary may order the treasurer of~~
10 ~~the county in which the municipality is located to pay to the secretary such~~
11 ~~portion of the municipality's share of the local ad valorem tax reduction~~
12 ~~fund as may be necessary to meet the terms of the agreement,~~
13 ~~notwithstanding the provisions of K.S.A. 79-2960 and 79-2961 and~~
14 ~~amendments thereto. Upon the issuance of such an order, the municipality~~
15 ~~shall not be required to make the tax levy reductions otherwise required by~~
16 ~~K.S.A. 79-2960 and 79-2961 and amendments thereto.~~

17 ~~(e)~~ Municipalities ~~which~~ *that* are provided with loans under K.S.A.
18 65-3321 through 65-3329, and amendments thereto, shall maintain project
19 accounts in accordance with generally accepted government accounting
20 standards.

21 ~~(d)~~*(c)* Municipalities ~~which~~ *that* receive a grant and an allowance
22 under the federal act with respect to project costs for which a loan was
23 provided under K.S.A. 65-3321 through 65-3329, and amendments
24 thereto, shall promptly repay such loan to the extent of the allowance
25 received under the federal act.

26 ~~(e)~~*(d)* Any loans received by a municipality under the provisions of
27 K.S.A. 65-3321 through 65-3329, and amendments thereto, shall be
28 construed to be bonds for the purposes of K.S.A. 10-1116 and 79-5028,
29 and amendments thereto, and the amount of such loans shall not be
30 included within any limitation on the bonded indebtedness of the
31 municipality.

32 Sec. 7. K.S.A. 2023 Supp. 74-8768 is hereby amended to read as
33 follows: 74-8768. (a) There is hereby created the expanded lottery act
34 revenues fund in the state treasury. All expenditures and transfers from
35 such fund shall be made in accordance with appropriation acts. All moneys
36 credited to such fund shall be expended or transferred only for the
37 purposes of reduction of state debt, state infrastructure improvements, the
38 university engineering initiative act, ~~reduction of local ad valorem tax in~~
39 ~~the same manner as provided for allocation of amounts in the local ad~~
40 ~~valorem tax reduction fund and reduction of the unfunded actuarial~~
41 ~~liability of the system attributable to the state of Kansas and participating~~
42 ~~employers under K.S.A. 74-4931, and amendments thereto, by the Kansas~~
43 ~~public employees retirement system.~~

1 (b) On July 1, 2021, July 1, 2022, July 1, 2023, July 1, 2024, July 1,
2 2025, July 1, 2026, July 1, 2027, July 1, 2028, July 1, 2029, July 1, 2030,
3 and July 1, 2031, or as soon thereafter such date as moneys are available,
4 the first \$10,500,000 credited to the expanded lottery act revenues fund
5 shall be transferred by the director of accounts and reports from the
6 expanded lottery act revenues fund in one or more substantially equal
7 amounts, to each of the following: The Kan-grow engineering fund – KU,
8 Kan-grow engineering fund – KSU and Kan-grow engineering fund –
9 WSU. Each such special revenue fund shall receive \$3,500,000 annually in
10 each of such years. Commencing in fiscal year 2014, after such transfer
11 has been made, 50% of the remaining moneys credited to the fund shall be
12 transferred on a quarterly basis by the director of accounts and reports
13 from the fund to the Kansas public employees retirement system fund to
14 be applied to reduce the unfunded actuarial liability of the system
15 attributable to the state of Kansas and participating employers under
16 K.S.A. 74-4931 et seq., and amendments thereto, until the system as a
17 whole attains an 80% funding ratio as certified by the board of trustees of
18 the Kansas public employees retirement system.

19 Sec. 8. K.S.A. 75-2556 is hereby amended to read as follows: 75-
20 2556. (a) The state librarian shall determine the amount of the grant-in-aid
21 each eligible local public library is to receive based on the latest
22 population census figures as certified by the division of the budget.

23 (b) Except as provided by subsection (d), no local public library shall
24 be eligible for any state grants-in-aid if the total amount of the following
25 paragraphs is less than the total amount produced from such sources for
26 the same library for the previous year, based on the information contained
27 in the official annual budgets of municipalities that are filed with the
28 division of accounts and reports in accordance with K.S.A. 79-2930, and
29 amendments thereto:

30 (1) The amount produced by the local ad valorem tax levies for the
31 current year expenses for such library;

32 ~~(2) the amount of moneys received from the local ad valorem tax~~
33 ~~reduction fund for current year expenses for such library;~~

34 ~~(3) the amount of moneys received from taxes levied upon motor~~
35 ~~vehicles under the provisions of K.S.A. 79-5101 et seq., and amendments~~
36 ~~thereto, for current year expenses for such library; and~~

37 ~~(4)~~(3) the amount of moneys received in the current year from
38 collections of unpaid local ad valorem tax levies for prior year expenses
39 for such library.

40 (c) Local public library districts in which the assessed valuation
41 decreases shall remain eligible for state grants-in-aid so long as the ad
42 valorem tax mill rate for the support of such library has not been reduced
43 below the mill rate imposed for such purpose for the previous year.

1 (d) If a local public library fails to qualify for eligibility for any state
2 grants-in-aid under subsection (b), the state librarian shall have the power
3 to continue the eligibility of a local public library for any state grants-in-
4 aid if the state librarian, after evaluation of all the circumstances,
5 determines that the legislative intent for maintenance of local tax levy
6 support for the on-going operations of the library is being met by the
7 library district.

8 (e) The distribution so determined shall be apportioned and paid on
9 February 15 of each year.

10 Sec. 9. K.S.A. 2023 Supp. 79-201x is hereby amended to read as
11 follows: 79-201x. ~~(a)~~ For taxable year ~~2022~~ 2024, and all taxable years
12 thereafter, the following described property, to the extent herein specified,
13 shall be and is hereby exempt from the property tax levied pursuant to the
14 provisions of K.S.A. 72-5142, and amendments thereto: Property used for
15 residential purposes to the extent of ~~\$40,000~~ \$75,000 of its appraised
16 valuation.

17 ~~(b) For taxable year 2023, and all taxable years thereafter, the dollar~~
18 ~~amount of the extent of appraised valuation that is exempt pursuant to~~
19 ~~subsection (a) shall be adjusted to reflect the average percentage change in~~
20 ~~statewide residential valuation of all residential real property for the~~
21 ~~preceding 10 years. Such average percentage change shall not be less than~~
22 ~~zero. The director of property valuation shall calculate the average~~
23 ~~percentage change for purposes of this annual adjustment and calculate the~~
24 ~~dollar amount of the extent of appraised valuation that is exempt pursuant~~
25 ~~to this section each year.~~

26 Sec. 10. K.S.A. 79-503a is hereby amended to read as follows: 79-
27 503a. "Fair market value" means the amount in terms of money that a well
28 informed buyer is justified in paying and a well informed seller is justified
29 in accepting for property in an open and competitive market, assuming that
30 the parties are acting without undue compulsion. In the determination of
31 fair market value of any real property which is subject to any special
32 assessment, such value shall not be determined by adding the present value
33 of the special assessment to the sales price. For the purposes of this
34 definition it will be assumed that consummation of a sale occurs as of
35 January 1.

36 Sales in and of themselves shall not be the sole criteria of fair market
37 value but shall be used in connection with cost, income and other factors
38 including but not by way of exclusion:

39 (a) The proper classification of lands and improvements;

40 (b) the size thereof;

41 (c) the effect of location on value;

42 (d) depreciation, including physical deterioration or functional,
43 economic or social obsolescence;

- 1 (e) cost of reproduction of improvements;
- 2 (f) productivity taking into account all restrictions imposed by the
3 state or federal government and local governing bodies, including, but not
4 limited to, restrictions on property rented or leased to low income
5 individuals and families as authorized by section 42 of the federal internal
6 revenue code of 1986, as amended;
- 7 (g) earning capacity as indicated by lease price, by capitalization of
8 net income or by absorption or sell-out period;
- 9 (h) rental or reasonable rental values or rental values restricted by the
10 state or federal government or local governing bodies, including, but not
11 limited to, restrictions on property rented or leased to low income
12 individuals and families, as authorized by section 42 of the federal internal
13 revenue code of 1986, as amended;
- 14 (i) sale value on open market with due allowance to abnormal
15 inflationary factors influencing such values;
- 16 (j) restrictions or requirements imposed upon the use of real estate by
17 the state or federal government or local governing bodies, including
18 zoning and planning boards or commissions, and including, but not limited
19 to, restrictions or requirements imposed upon the use of real estate rented
20 or leased to low income individuals and families, as authorized by section
21 42 of the federal internal revenue code of 1986, as amended; and
- 22 (k) comparison with values of other property of known or recognized
23 value. The assessment-sales ratio study shall not be used as an appraisal
24 for appraisal purposes.

25 The appraisal process utilized in the valuation of all real and tangible
26 personal property for ad valorem tax purposes shall conform to generally
27 accepted appraisal procedures and standards which are consistent with the
28 definition of fair market value unless otherwise specified by law.

29 *The sale price or value at which a property sells or transfers ownership*
30 *in a federal internal revenue code section 1031 exchange shall not be*
31 *considered an indicator of fair market value nor as a factor in arriving at*
32 *fair market value. Federal internal revenue code section 1031 exchange*
33 *transactions shall not be used as comparable sales for valuation purposes*
34 *nor as valid sales for purposes of sales ratio studies conducted pursuant to*
35 *K.S.A. 79-1485 et seq., and amendments thereto.*

36 Sec. 11. K.S.A. 79-5a27 is hereby amended to read as follows: 79-
37 5a27. On or before June 1 each year, the director of property valuation
38 shall certify to the county clerk of each county the amount of assessed
39 valuation apportioned to each taxing unit therein for properties valued and
40 assessed under K.S.A. 79-5a01 et seq., and amendments thereto. The
41 county clerk shall include such assessed valuations in the applicable taxing
42 districts with all other assessed valuations in those taxing districts and on
43 or before June 15 notify the appropriate officials of each taxing district

1 within the county of the assessed valuation estimates to be utilized in the
2 preparation of budgets for ad valorem tax purposes, *except that for tax*
3 *year 2024, the deadline shall be extended to July 1, 2024.* If in any year
4 the county clerk has not received the applicable valuations from the
5 director of property valuation, the county clerk shall use the applicable
6 assessed valuations of the preceding year as an estimate for such
7 notification. If the public utility has filed an application for exemption of
8 all or a portion of its property, the director shall notify the county clerk that
9 the exemption application has been filed and the county clerk shall not be
10 required to include such assessed valuation in the applicable taxing
11 districts until such time as the application is denied by the state board of
12 tax appeals or, if judicial review of the board's order is sought, until such
13 time as judicial review is finalized.

14 Sec. 12. K.S.A. 79-1107 is hereby amended to read as follows: 79-
15 1107. (a) Every national banking association and state bank located or
16 doing business within the state shall pay to the state for the privilege of
17 doing business within the state a tax according to or measured by its net
18 income for the next preceding taxable year to be computed as provided in
19 this act. Such tax shall consist of a normal tax and a surtax and shall be
20 computed as follows:

21 ~~(a)~~(1) *For tax year 2024, and all tax years thereafter,* the normal tax
22 shall be an amount equal to ~~2⁺/₄%~~ 1.94% of such net income; and

23 ~~(b)~~(2) the surtax shall be an amount equal to ~~2⁺/₈%~~ 2.125% of such
24 net income in excess of \$25,000.

25 (b) The tax levied shall be in lieu of ad valorem taxes which might
26 otherwise be imposed by the state or political subdivisions thereof upon
27 shares of capital stock or the intangible assets of national banking
28 associations and state banks.

29 Sec. 13. K.S.A. 79-1108 is hereby amended to read as follows: 79-
30 1108. (a) Every trust company and savings and loan association located or
31 doing business within the state shall pay to the state for the privilege of
32 doing business within the state a tax according to or measured by its net
33 income for the next preceding taxable year to be computed as provided in
34 this act. Such tax shall consist of a normal tax and a surtax and shall be
35 computed as follows:

36 ~~(a)~~(1) *For tax year 2024, and all tax years thereafter,* the normal tax
37 on every trust company and savings and loan association shall be an
38 amount equal to ~~2⁺/₄%~~ 1.93% of such net income; and

39 ~~(b)~~(2) the surtax on every trust company and savings and loan
40 association shall be an amount equal to ~~2⁺/₄%~~ 2.25% of such net income in
41 excess of \$25,000.

42 (b) The tax levied shall be in lieu of ad valorem taxes which might
43 otherwise be imposed by the state or political subdivision thereof upon

1 shares of capital stock or other intangible assets of trust companies and
2 savings and loan associations.

3 Sec. 14. K.S.A. 79-1479 is hereby amended to read as follows: 79-
4 1479. (a) On or before January 15, 1992, and quarterly thereafter, the
5 county or district appraiser shall submit to the director of property
6 valuation a progress report indicating actions taken during the preceding
7 quarter calendar year to implement the appraisal of property in the county
8 or district. Whenever the director of property valuation shall determine
9 that any county has failed, neglected or refused to properly provide for the
10 appraisal of property or the updating of the appraisals on an annual basis in
11 substantial compliance with the provisions of law and the guidelines and
12 timetables prescribed by the director, the director shall file with the state
13 board of tax appeals a complaint stating the facts upon which the director
14 has made the determination of noncompliance as provided by K.S.A. 79-
15 1413a, and amendments thereto. If, as a result of such proceeding, the state
16 board of tax appeals finds that the county is not in substantial compliance
17 with the provisions of law and the guidelines and timetables of the director
18 of property valuation providing for the appraisal of all property in the
19 county or the updating of the appraisals on an annual basis, it shall order
20 the immediate assumption of the duties of the office of county appraiser by
21 the director of the division of property valuation until such time as the
22 director of property valuation determines that the county is in substantial
23 compliance with the provisions of law. ~~In addition, the board shall order~~
24 ~~the state treasurer to withhold all or a portion of the county's entitlement to~~
25 ~~moneys from either or both of the local ad valorem tax reduction fund and~~
26 ~~the city and county revenue sharing fund for the year following the year in~~
27 ~~which the order is issued.~~ Upon service of any such order on the board of
28 county commissioners, the appraiser shall immediately deliver to the
29 director of property valuation, or the director's designee, all books, records
30 and papers pertaining to the appraiser's office.

31 Any county for which the director of the division of property valuation
32 is ordered by the state board of tax appeals to assume the responsibility
33 and duties of the office of county appraiser shall reimburse the state for the
34 actual costs incurred by the director of the division of property valuation in
35 the assumption and carrying out of such responsibility and duties,
36 including any contracting costs in the event it is necessary for the director
37 of property valuation to contract with private appraisal firms to carry out
38 such responsibilities and duties.

39 (b) On or before June 1 of each year, the director of property
40 valuation shall review the appraisal of property in each county or district
41 to determine if property within the county or district is being appraised or
42 valued in accordance with the requirements of law. If the director
43 determines the property in any county or district is not being appraised in

1 accordance with the requirements of law, the director of property valuation
2 shall notify the county or district appraiser and the board of county
3 commissioners of any county or counties affected that the county has 30
4 days within which to submit to the director a plan for bringing the
5 appraisal of property within the county into compliance.

6 If a plan is submitted and approved by the director the county or district
7 shall proceed to implement the plan as submitted. The director shall
8 continue to monitor the program to insure that the plan is implemented as
9 submitted. If no plan is submitted or if the director does not approve the
10 plan, the director shall petition the state board of tax appeals for a review
11 of the plan or, if no plan is submitted, for authority for the division of
12 property valuation to assume control of the appraisal program of the
13 county and to proceed to bring the same into compliance with the
14 requirements of law.

15 If the state board of tax appeals approves the plan, the county or district
16 appraiser shall proceed to implement the plan as submitted. If no plan has
17 been submitted or the plan submitted is not approved, the board shall fix a
18 time within which the county may submit a plan or an amended plan for
19 approval. If no plan is submitted and approved within the time prescribed
20 by the board, the board shall order the division of property valuation to
21 assume control of the appraisal program of the county ~~and shall certify its~~
22 ~~order to the state treasurer who shall withhold distributions of the county's~~
23 ~~share of moneys from the county and city revenue sharing fund and the~~
24 ~~local ad valorem tax reduction fund and credit the same to the general fund~~
25 ~~of the state for the year following the year in which the board's order is~~
26 ~~made.~~ The director of property valuation shall certify the amount of the
27 cost incurred by the division in bringing the program in compliance to the
28 state board of tax appeals. The board shall order the county commissioners
29 to reimburse the state for such costs.

30 (c) The state board of tax appeals shall within 60 days after the
31 publication of the Kansas assessment/sales ratio study review such
32 publication to determine county compliance with K.S.A. 79-1439, and
33 amendments thereto. If in the determination of the board one or more
34 counties are not in substantial compliance and the director of property
35 valuation has not acted under subsection (b), the board shall order the
36 director of property valuation to take such corrective action as is necessary
37 or to show cause for noncompliance.

38 Sec. 15. On and after July 1, 2024, K.S.A. 2023 Supp. 79-2988, as
39 amended by section 15 of 2024 Senate Bill No. 410, is hereby amended to
40 read as follows: 79-2988. (a) On or before June 15 each year, the county
41 clerk shall calculate the revenue neutral rate for each taxing subdivision
42 and include such revenue neutral rate on the notice of the estimated
43 assessed valuation provided to each taxing subdivision for budget

1 purposes, *except that for tax year 2024, the deadline shall be extended to*
2 *July 1, 2024.* The director of accounts and reports shall modify the
3 prescribed budget information form to show the revenue neutral rate.

4 (b) Except as otherwise provided in this section, no tax rate in excess
5 of the revenue neutral rate shall be levied by the governing body of any
6 taxing subdivision unless a resolution or ordinance has been approved by
7 the governing body according to the following procedure:

8 (1) At least 10 days in advance of the public hearing, the governing
9 body shall publish notice of its proposed intent to exceed the revenue
10 neutral rate by publishing notice:

11 (A) On the website of the governing body, if the governing body
12 maintains a website; and

13 (B) in a weekly or daily newspaper of the county having a general
14 circulation therein. The notice shall include, but not be limited to, its
15 proposed tax rate, its revenue neutral rate and the date, time and location
16 of the public hearing.

17 (2) On or before July 20, the governing body shall notify the county
18 clerk of its proposed intent to exceed the revenue neutral rate and provide
19 the date, time and location of the public hearing and its proposed tax rate.
20 For all tax years commencing after December 31, 2021, the county clerk
21 shall notify each taxpayer with property in the taxing subdivision, by mail
22 directed to the taxpayer's last known address, of the proposed intent to
23 exceed the revenue neutral rate at least 10 days in advance of the public
24 hearing. Alternatively, the county clerk may transmit the notice to the
25 taxpayer by electronic means at least 10 days in advance of the public
26 hearing, if such taxpayer and county clerk have consented in writing to
27 service by electronic means. The county clerk is not required to send a
28 notice to a property owner of property that is exempt from ad valorem
29 taxation. The county clerk shall consolidate the required information for
30 all taxing subdivisions relevant to the taxpayer's property on one notice.
31 The notice shall be in a format prescribed by the director of accounts and
32 reports. The notice shall include, but not be limited to:

33 (A) The following heading:

34 "NOTICE OF PROPOSED PROPERTY TAX INCREASE AND
35 PUBLIC HEARINGS

36 [Current year] [County name] County Revenue Neutral Rate Notice

37 This is NOT a bill. Do not remit payment.";

38 (B) the following statement:

39 "This notice contains estimates of the tax on your property and
40 proposed property tax increases. THE ACTUAL TAX ON YOUR
41 PROPERTY MAY INCREASE OR DECREASE FROM THESE
42 ESTIMATES. Governing bodies of taxing subdivisions must vote in order
43 to exceed the Revenue Neutral Rate to increase the total property taxes

1 collected. Governing bodies will vote at public hearings at the dates, times
2 and locations listed. Taxpayers may attend and comment at the hearings.
3 Property tax statements will be issued after mill rates are finalized and
4 taxes are calculated.";

5 (C) the appraised value and assessed value of the taxpayer's property
6 for the current year and the previous year;

7 (D) the amount of property tax of each taxing subdivision on the
8 taxpayer's property from the previous year's tax statement in a column
9 titled: "[Previous year] Tax";

10 (E) the estimated amount of property tax for the current year of each
11 taxing subdivision on the taxpayer's property based on the revenue neutral
12 rate of each taxing subdivision in a column titled: "[Current year] Tax at
13 Revenue Neutral Rate";

14 (F) the estimated amount of property tax for the current year of each
15 taxing subdivision on the taxpayer's property based on either: (i) The
16 revenue neutral rate for a taxing subdivision that does not intend to exceed
17 its revenue neutral rate; or (ii) the proposed tax rate provided by the taxing
18 subdivision, if the taxing subdivision notified the county clerk of its
19 proposed intent to exceed its revenue neutral rate in a column titled:
20 "[Current year] Maximum Tax";

21 (G) the difference between the amount of the current year's maximum
22 tax and the previous year's tax, reflected in dollars and a percentage, for
23 each taxing subdivision in a column titled: "[Current year] Maximum Tax
24 Exceeding [Previous year] Tax";

25 (H) the date, time and location of the public hearing of each taxing
26 subdivision that notified the county clerk of its proposed intent to exceed
27 its revenue neutral rate in a column titled: "Date, Time and Location of
28 Public Hearing"; and

29 (I) for each taxing subdivision public hearing listed pursuant to
30 subparagraph (H), the difference between the current year's maximum tax
31 and the estimated amount of property tax based on the revenue neutral rate
32 of such taxing subdivision in a column titled: "[Current year] Maximum
33 Tax Exceeding Tax at Revenue Neutral Rate".

34 Although the state of Kansas is not a taxing subdivision for purposes of
35 this section, the notice shall include the previous year's tax amount and the
36 estimate of the tax for the current year on the taxpayer's property based on
37 the statutory mill levies.

38 (3) The public hearing to consider exceeding the revenue neutral rate
39 shall be held not sooner than August 20 and not later than September 20.
40 The governing body shall provide interested taxpayers desiring to be heard
41 an opportunity to present oral testimony within reasonable time limits and
42 without unreasonable restriction on the number of individuals allowed to
43 make public comment. The public hearing may be conducted in

1 conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929,
2 and amendments thereto, if the governing body otherwise complies with
3 all requirements of this section. Nothing in this section shall be construed
4 to prohibit additional public hearings that provide additional opportunities
5 to present testimony or public comment prior to the public hearing
6 required by this section.

7 (4) A majority vote of the governing body, by the adoption of a
8 resolution or ordinance to approve exceeding the revenue neutral rate,
9 shall be required prior to adoption of a proposed budget that will result in a
10 tax rate in excess of the revenue neutral rate. Such vote of the governing
11 body shall be conducted at the public hearing and on the same day as the
12 commencement of the public hearing after the governing body has heard
13 from interested taxpayers and shall be a roll call vote. If the governing
14 body approves exceeding the revenue neutral rate, the governing body
15 shall not adopt a budget that results in a tax rate in excess of its proposed
16 tax rate as stated in the notice provided pursuant to this section. A copy of
17 the resolution or ordinance to approve exceeding the revenue neutral rate
18 and a certified copy of any roll call vote reporting, at a minimum, the
19 name and vote of each member of the governing body related to exceeding
20 the revenue neutral rate, whether approved or not, shall be included with
21 the adopted budget, budget certificate and other budget forms filed with
22 the county clerk and the director of accounts and reports and shall be
23 published on the website of the department of administration.

24 (c) (1) Any governing body subject to the provisions of this section
25 that does not comply with subsection (b) shall refund to taxpayers any
26 property taxes over-collected based on the amount of the levy that was in
27 excess of the revenue neutral rate.

28 (2) Any taxpayer of the taxing subdivision that is the subject of the
29 complaint or such taxpayer's duly authorized representative may file a
30 complaint with the state board of tax appeals by filing a written complaint,
31 on a form prescribed by the board, that contains the facts that the
32 complaining party believes show that a governing body of a taxing
33 subdivision did not comply with the provisions of subsection (b) and that a
34 reduction or refund of taxes is appropriate. The complaining party shall
35 provide a copy of such complaint to the governing body of the taxing
36 subdivision making the levy that is the subject of the complaint.
37 Notwithstanding K.S.A. 74-2438a, and amendments thereto, no filing fee
38 shall be charged by the executive director of the state board of tax appeals
39 for a complaint filed pursuant to this paragraph. The governing body of the
40 taxing subdivision making the levy that is the subject of the complaint
41 shall be a party to the proceeding. Notice of any summary proceeding or
42 hearing shall be served upon such governing body, the county clerk, the
43 director of accounts and reports and the complaining party. It shall be the

1 duty of the governing body to initiate the production of evidence to
2 demonstrate, by a preponderance of the evidence, the validity of such levy.
3 If upon a summary proceeding or hearing, it shall be made to appear to the
4 satisfaction of the board that the governing body of the taxing subdivision
5 did not comply with subsection (b), the state board of tax appeals shall
6 order such governing body to refund to taxpayers the amount of property
7 taxes over collected or reduce the taxes levied, if uncollected. The
8 provisions of this paragraph shall not be construed as prohibiting any other
9 remedies available under the law.

10 (d) On and after January 1, 2022, in the event that the ~~20-mills tax~~
11 levied by a school district pursuant to K.S.A. 72-5142, and amendments
12 thereto, increases the property tax revenue generated for the purpose of
13 calculating the revenue neutral rate from the previous tax year and such
14 amount of increase in revenue generated from ~~the 20-mills such tax levied~~
15 is the only reason *that* the school district would exceed the total property
16 tax revenue from the prior year, the school district shall be deemed to not
17 have exceeded the revenue neutral rate in levying a tax rate in excess of
18 the revenue neutral rate to take into account the increase in revenue from
19 only ~~the 20-mills such tax levied~~.

20 (e) (1) Notwithstanding any other provision of law to the contrary, if
21 the governing body of a taxing subdivision must conduct a public hearing
22 to approve exceeding the revenue neutral rate under this section, the
23 governing body of the taxing subdivision shall certify, on or before
24 October 1, to the proper county clerk the amount of ad valorem tax to be
25 levied.

26 (2) If a governing body of a taxing subdivision did not comply with
27 the provisions of subsection (b) and certifies to the county clerk an amount
28 of ad valorem tax to be levied that would result in a tax rate in excess of its
29 revenue neutral rate, the county clerk shall reduce the ad valorem tax to be
30 levied to the amount resulting from such taxing subdivision's revenue
31 neutral rate.

32 (f) As used in this section:

33 (1) "Taxing subdivision" means any political subdivision of the state
34 that levies an ad valorem tax on property.

35 (2) "Revenue neutral rate" means the tax rate for the current tax year
36 that would generate the same property tax revenue as levied the previous
37 tax year using the current tax year's total assessed valuation. To calculate
38 the revenue neutral rate, the county clerk shall divide the property tax
39 revenue for such taxing subdivision levied for the previous tax year by the
40 total of all taxable assessed valuation in such taxing subdivision for the
41 current tax year, and then multiply the quotient by 1,000 to express the rate
42 in mills. The revenue neutral rate shall be expressed to the third decimal
43 place.

1 (g) In the event that a county clerk incurred costs of printing and
 2 postage that were not reimbursed pursuant to K.S.A. 2023 Supp. 79-2989,
 3 and amendments thereto, such county clerk may seek reimbursement from
 4 all taxing subdivisions required to send the notice. Such costs shall be
 5 shared proportionately by all taxing subdivisions that were included on the
 6 same notice based on the total property tax levied by each taxing
 7 subdivision. Payment of such costs shall be due to the county clerk by
 8 December 31.

9 (h) The department of administration or the director of accounts and
 10 reports shall make copies of adopted budgets, budget certificates, other
 11 budget documents and revenue neutral rate documents available to the
 12 public on the department of administration's website on a permanently
 13 accessible web page that may be accessed via a conspicuous link to that
 14 web page placed on the front page of the department's website. The
 15 department of administration or the director of accounts and reports shall
 16 also make the following information for each tax year available on such
 17 website:

- 18 (1) A list of taxing subdivisions by county;
- 19 (2) whether each taxing subdivision conducted a hearing to consider
 20 exceeding its revenue neutral rate;
- 21 (3) the revenue neutral rate of each taxing subdivision;
- 22 (4) the tax rate resulting from the adopted budget of each taxing
 23 subdivision; and
- 24 (5) the percent change between the revenue neutral rate and the tax
 25 rate for each taxing subdivision.

26 (i) Notwithstanding any provisions to the contrary, in the event any
 27 governing body does not comply with the provisions of subsection (b)
 28 because such governing body did not intend to exceed its revenue neutral
 29 rate but the final taxable assessed valuation of such taxing subdivision
 30 used to calculate the actual tax levy is less than the estimated assessed
 31 valuation used to calculate the revenue neutral rate, such governing body
 32 shall be permitted to levy a tax rate that generates the same amount of
 33 property tax revenue as levied the previous year or less.

34 Sec. 16. K.S.A. 2023 Supp. 79-32,110 is hereby amended to read as
 35 follows: 79-32,110. (a) *Resident individuals*. Except as otherwise provided
 36 by K.S.A. 79-3220(a), and amendments thereto, a tax is hereby imposed
 37 upon the Kansas taxable income of every resident individual, which tax
 38 shall be computed in accordance with the following tax schedules:

39 (1) *Married individuals filing joint returns*.

40 (A) ~~For tax year 2012:~~

41 If the taxable income is: _____	The tax is:
42 Not over \$30,000 _____	3.5% of Kansas taxable income
43 Over \$30,000 but not over \$60,000 _____	\$1,050 plus 6.25% of excess

1 _____ over \$30,000
 2 Over \$60,000 _____ \$2,925 plus 6.45% of excess
 3 _____ over \$60,000

4 (B) For tax year 2013:
 5 If the taxable income is: _____ The tax is:
 6 Not over \$30,000 _____ 3.0% of Kansas taxable income
 7 Over \$30,000 _____ \$900 plus 4.9% of excess over
 8 _____ \$30,000

9 (C) For tax year 2014:
 10 If the taxable income is: _____ The tax is:
 11 Not over \$30,000 _____ 2.7% of Kansas taxable income
 12 Over \$30,000 _____ \$810 plus 4.8% of excess over
 13 _____ \$30,000

14 (D) For tax years 2015 and 2016:
 15 If the taxable income is: _____ The tax is:
 16 Not over \$30,000 _____ 2.7% of Kansas taxable income
 17 Over \$30,000 _____ \$810 plus 4.6% of excess over
 18 _____ \$30,000

19 (E) For tax year 2017:
 20 If the taxable income is: _____ The tax is:
 21 Not over \$30,000 _____ 2.9% of Kansas taxable income
 22 Over \$30,000 but not over \$60,000 _____ \$870 plus 4.9% of excess over
 23 _____ \$30,000
 24 Over \$60,000 _____ \$2,340 plus 5.2% of excess over
 25 _____ \$60,000

26 (F) For tax-year years 2018, and all tax years thereafter through 2023:
 27 If the taxable income is: _____ The tax is:
 28 Not over \$30,000 3.1% of Kansas taxable income
 29 Over \$30,000 but not over \$60,000..... \$930 plus 5.25% of excess
 30 _____ over \$30,000
 31 Over \$60,000..... \$2,505 plus 5.7% of excess
 32 _____ over \$60,000

33 (B) For tax year 2024, and all tax years thereafter:
 34 If the taxable income is: _____ The tax is:
 35 Not over \$46,000 5.2% of Kansas taxable income
 36 Over \$46,000..... \$2,392 plus 5.58% of excess
 37 _____ over \$46,000

38 (2) All other individuals.

39 (A) For tax year 2012:
 40 If the taxable income is: _____ The tax is:
 41 Not over \$15,000 _____ 3.5% of Kansas taxable income
 42 Over \$15,000 but not over \$30,000 _____ \$525 plus 6.25% of excess
 43 _____ over \$15,000

1 Over \$30,000 _____ \$1,462.50 plus 6.45% of excess
 2 _____ over \$30,000

3 (B) For tax year 2013:

4 If the taxable income is: _____ The tax is:
 5 Not over \$15,000 _____ 3.0% of Kansas taxable income
 6 Over \$15,000 _____ \$450 plus 4.9% of excess over
 7 _____ \$15,000

8 (C) For tax year 2014:

9 If the taxable income is: _____ The tax is:
 10 Not over \$15,000 _____ 2.7% of Kansas taxable income
 11 Over \$15,000 _____ \$405 plus 4.8% of excess over
 12 _____ \$15,000

13 (D) For tax years 2015 and 2016:

14 If the taxable income is: _____ The tax is:
 15 Not over \$15,000 _____ 2.7% of Kansas taxable income
 16 Over \$15,000 _____ \$405 plus 4.6% of excess over
 17 _____ \$15,000

18 (E) For tax year 2017:

19 If the taxable income is: _____ The tax is:
 20 Not over \$15,000 _____ 2.9% of Kansas taxable income
 21 Over \$15,000 but not over \$30,000 _____ \$435 plus 4.9% of excess over
 22 _____ \$15,000
 23 Over \$30,000 _____ \$1,170 plus 5.2% of excess over
 24 _____ \$30,000

25 (F) For tax-year years 2018, and all tax years thereafter through 2023:

26 If the taxable income is: _____ The tax is:
 27 Not over \$15,000 3.1% of Kansas taxable income
 28 Over \$15,000 but not over \$30,000 \$465 plus 5.25% of excess
 29 _____ over \$15,000
 30 Over \$30,000 \$1,252.50 plus 5.7% of excess
 31 _____ over \$30,000

32 (B) For tax year 2024, and all tax years thereafter:

33 If the taxable income is: _____ The tax is:
 34 Not over \$23,000 5.2% of Kansas taxable income
 35 Over \$23,000 \$1,196 plus 5.58% of excess
 36 _____ over \$23,000

37 (b) *Nonresident individuals.* A tax is hereby imposed upon the Kansas
 38 taxable income of every nonresident individual, which tax shall be an
 39 amount equal to the tax computed under subsection (a) as if the
 40 nonresident were a resident multiplied by the ratio of modified Kansas
 41 source income to Kansas adjusted gross income.

42 (c) *Corporations.* A tax is hereby imposed upon the Kansas taxable
 43 income of every corporation doing business within this state or deriving

1 income from sources within this state. Such tax shall consist of a normal
2 tax and a surtax and shall be computed as follows unless otherwise
3 modified pursuant to K.S.A. 2023 Supp. 74-50,321, and amendments
4 thereto:

5 (1) The normal tax shall be in an amount equal to 4% of the Kansas
6 taxable income of such corporation; and

7 (2) the surtax shall be in an amount equal to 3% of the Kansas taxable
8 income of such corporation in excess of \$50,000.

9 (d) *Fiduciaries*. A tax is hereby imposed upon the Kansas taxable
10 income of estates and trusts at the rates provided in subsection (a)(2)
11 hereof.

12 (e) Notwithstanding the provisions of subsections (a) and (b):~~(1) For~~
13 ~~tax years 2016 and 2017, married individuals filing joint returns with~~
14 ~~taxable income of \$12,500 or less, and all other individuals with taxable~~
15 ~~income of \$5,000 or less, shall have a tax liability of zero; and (2), for tax~~
16 ~~year years 2018, and all tax years thereafter through 2023, married~~
17 ~~individuals filing joint returns with taxable income of \$5,000 or less, and~~
18 ~~all other individuals with taxable income of \$2,500 or less, shall have a tax~~
19 ~~liability of zero.~~

20 ~~(f) No taxpayer shall be assessed penalties and interest arising from~~
21 ~~the underpayment of taxes due to changes to the rates in subsection (a) that~~
22 ~~became law on July 1, 2017, so long as such underpayment is rectified on~~
23 ~~or before April 17, 2018.~~

24 Sec. 17. K.S.A. 79-32,111c is hereby amended to read as follows: 79-
25 32,111c. (a) There shall be allowed as a credit against the tax liability of a
26 resident individual imposed under the Kansas income tax act an amount
27 equal to ~~12.5% for tax year 2018; an amount equal to 18.75% for tax year~~
28 ~~2019; and an amount equal to 25% for tax year years 2020 through 2023~~
29 ~~and an amount equal to 50% for tax year 2024~~, and all tax years thereafter,
30 of the amount of the credit allowed against such taxpayer's federal income
31 tax liability pursuant to 26 U.S.C. § 21 for the taxable year in which such
32 credit was claimed against the taxpayer's federal income tax liability.

33 (b) The credit allowed by subsection (a) shall not exceed the amount
34 of the tax imposed by K.S.A. 79-32,110, and amendments thereto, reduced
35 by the sum of any other credits allowable pursuant to law.

36 (c) No credit provided under this section shall be allowed to any
37 individual who fails to provide a valid social security number issued by the
38 social security administration, to such individual, the individual's spouse
39 and every dependent of the individual.

40 Sec. 18. On and after July 1, 2024, K.S.A. 2023 Supp. 79-32,117, as
41 amended by section 14 of 2023 Senate Bill No. 27, is hereby amended to
42 read as follows: 79-32,117. (a) The Kansas adjusted gross income of an
43 individual means such individual's federal adjusted gross income for the

1 taxable year, with the modifications specified in this section.

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

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

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

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

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

41 (v) The amount of any depreciation deduction or business expense
42 deduction claimed on the taxpayer's federal income tax return for any
43 capital expenditure in making any building or facility accessible to the

1 handicapped, for which expenditure the taxpayer claimed the credit
2 allowed by K.S.A. 79-32,177, and amendments thereto.

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

6 (vii) The amount of any charitable contribution made to the extent the
7 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
8 32,196, and amendments thereto.

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

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

19 (x) Amounts received as nonqualified withdrawals, as defined by
20 K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a
21 family postsecondary education savings account, such amounts were
22 subtracted from the federal adjusted gross income pursuant to subsection
23 (c)(xv) or if such amounts are not already included in the federal adjusted
24 gross income.

25 (xi) The amount of any contribution made to the same extent the
26 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-
27 50,154, and amendments thereto.

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

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

39 (xiv) The amount of any amortization deduction claimed in
40 determining federal adjusted gross income to the extent the same is
41 claimed for deduction pursuant to K.S.A. 79-32,221, and amendments
42 thereto.

43 (xv) The amount of any expenditures claimed for deduction in

1 determining federal adjusted gross income, to the extent the same is
2 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223
3 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-
4 32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-
5 32,251 through 79-32,254, and amendments thereto.

6 (xvi) The amount of any amortization deduction claimed in
7 determining federal adjusted gross income to the extent the same is
8 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-
9 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

10 (xvii) The amount of any amortization deduction claimed in
11 determining federal adjusted gross income to the extent the same is
12 claimed for deduction pursuant to K.S.A. 79-32,256, and amendments
13 thereto.

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

24 (xix) For taxable years beginning after December 31, 2012, and
25 ending before January 1, 2017, the amount of any: (1) Loss from business
26 as determined under the federal internal revenue code and reported from
27 schedule C and on line 12 of the taxpayer's form 1040 federal individual
28 income tax return; (2) loss from rental real estate, royalties, partnerships, S
29 corporations, except those with wholly owned subsidiaries subject to the
30 Kansas privilege tax, estates, trusts, residual interest in real estate
31 mortgage investment conduits and net farm rental as determined under the
32 federal internal revenue code and reported from schedule E and on line 17
33 of the taxpayer's form 1040 federal individual income tax return; and (3)
34 farm loss as determined under the federal internal revenue code and
35 reported from schedule F and on line 18 of the taxpayer's form 1040
36 federal income tax return; all to the extent deducted or subtracted in
37 determining the taxpayer's federal adjusted gross income. For purposes of
38 this subsection, references to the federal form 1040 and federal schedule
39 C, schedule E, and schedule F, shall be to such form and schedules as they
40 existed for tax year 2011, and as revised thereafter by the internal revenue
41 service.

42 (xx) For taxable years beginning after December 31, 2012, and
43 ending before January 1, 2017, the amount of any deduction for self-

1 employment taxes under section 164(f) of the federal internal revenue
2 code as in effect on January 1, 2012, and amendments thereto, in
3 determining the federal adjusted gross income of an individual taxpayer, to
4 the extent the deduction is attributable to income reported on schedule C,
5 E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income
6 tax return.

7 (xxi) For taxable years beginning after December 31, 2012, and
8 ending before January 1, 2017, the amount of any deduction for pension,
9 profit sharing, and annuity plans of self-employed individuals under
10 section 62(a)(6) of the federal internal revenue code as in effect on January
11 1, 2012, and amendments thereto, in determining the federal adjusted gross
12 income of an individual taxpayer.

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

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

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

33 (xxv) For taxable years commencing after December 31, 2013, that
34 portion of the amount of any expenditure deduction claimed in
35 determining federal adjusted gross income for expenses paid by a taxpayer
36 for health care when such expenses were paid or incurred for abortion
37 coverage, a health benefit plan, as defined in K.S.A. 65-6731, and
38 amendments thereto, when such expenses were paid or incurred for
39 abortion coverage or amounts contributed to health savings accounts for
40 such taxpayer's employees for the purchase of an optional rider for
41 coverage of abortion in accordance with K.S.A. 40-2,190, and
42 amendments thereto, to the extent that such taxes and assessments are
43 claimed as a deduction for federal income tax purposes.

1 (xxvi) For all taxable years beginning after December 31, 2016, the
2 amount of any charitable contribution made to the extent the same is
3 claimed as the basis for the credit allowed pursuant to K.S.A. 72-4357, and
4 amendments thereto, and is also claimed as an itemized deduction for
5 federal income tax purposes.

6 (xxvii) For all taxable years commencing after December 31, 2020,
7 the amount of any interest expense paid or accrued in a previous taxable
8 year but allowed as a deduction pursuant to section 163 of the federal
9 internal revenue code in the current taxable year by reason of the
10 carryforward of disallowed business interest pursuant to section 163(j)
11 of the federal internal revenue code. For purposes of this paragraph, an
12 interest expense is considered paid or accrued only in the first taxable year
13 the deduction would have been allowable pursuant to section 163 of the
14 federal internal revenue code if the limitation pursuant to section 163(j) of
15 the federal internal revenue code did not exist.

16 (xxviii) For all taxable years beginning after December 31, 2021, the
17 amount of any contributions to, or earnings from, a first-time home buyer
18 savings account if distributions from the account were not used to pay for
19 expenses or transactions authorized pursuant to K.S.A. 2023 Supp. 58-
20 4904, and amendments thereto, or were not held for the minimum length
21 of time required pursuant to K.S.A. 2023 Supp. 58-4904, and amendments
22 thereto. Contributions to, or earnings from, such account shall also include
23 any amount resulting from the account holder not designating a surviving
24 payable on death beneficiary pursuant to K.S.A. 2023 Supp. 58-4904(e),
25 and amendments thereto.

26 (xxix) For all taxable years beginning after December 31, 2024, the
27 amount of any contributions to, or earnings from, an adoption savings
28 account if distributions from the account were not used to pay for expenses
29 or transactions authorized pursuant to section 4 of 2024 House Bill No.
30 2465, and amendments thereto, or were not held for the minimum length
31 of time required pursuant to section 4 of 2024 House Bill No. 2465, and
32 amendments thereto. Contributions to, or earnings from, such account
33 shall also include any amount resulting from the account holder not
34 designating a surviving payable on death beneficiary pursuant to section
35 4(e) of 2024 House Bill No. 2465, and amendments thereto.

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

37 (i) Interest or dividend income on obligations or securities of any
38 authority, commission or instrumentality of the United States and its
39 possessions less any related expenses directly incurred in the purchase of
40 such obligations or securities, to the extent included in federal adjusted
41 gross income but exempt from state income taxes under the laws of the
42 United States.

43 (ii) Any amounts received which are included in federal adjusted

1 gross income but which are specifically exempt from Kansas income
2 taxation under the laws of the state of Kansas.

3 (iii) The portion of any gain or loss from the sale or other disposition
4 of property having a higher adjusted basis for Kansas income tax purposes
5 than for federal income tax purposes on the date such property was sold or
6 disposed of in a transaction in which gain or loss was recognized for
7 purposes of federal income tax that does not exceed such difference in
8 basis, but if a gain is considered a long-term capital gain for federal
9 income tax purposes, the modification shall be limited to that portion of
10 such gain which is included in federal adjusted gross income.

11 (iv) The amount necessary to prevent the taxation under this act of
12 any annuity or other amount of income or gain which was properly
13 included in income or gain and was taxed under the laws of this state for a
14 taxable year prior to the effective date of this act, as amended, to the
15 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
16 the right to receive the income or gain, or to a trust or estate from which
17 the taxpayer received the income or gain.

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

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

25 (vii) Amounts received as annuities under the federal civil service
26 retirement system from the civil service retirement and disability fund and
27 other amounts received as retirement benefits in whatever form which
28 were earned for being employed by the federal government or for service
29 in the armed forces of the United States.

30 (viii) Amounts received by retired railroad employees as a
31 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and
32 228c(a)(1) et seq.

33 (ix) Amounts received by retired employees of a city and by retired
34 employees of any board of such city as retirement allowances pursuant to
35 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter
36 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and
37 amendments thereto.

38 (x) (1) For taxable years beginning after December 31, 2021, the
39 amount of any federal credit disallowance under the provisions of 26
40 U.S.C. § 280C(a).

41 (2) For taxable years beginning after December 31, 2019, and ending
42 before January 1, 2022, 50% of the amount of the federal employee
43 retention credit disallowance under rules similar to the rules of 26 U.S.C. §

1 280C(a). The taxpayer shall be required to prove that such taxpayer
2 previously filed Kansas income tax returns and paid Kansas income tax on
3 the disallowed amount. Notwithstanding any other provision of law to the
4 contrary, any claim for refund or amended return relating to this
5 subparagraph shall be allowed to be filed on or before April 15, 2025, and
6 no claim for refund or amended return shall be allowed or filed after April
7 15, 2025.

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

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

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

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

32 (xv) The cumulative amounts not exceeding \$3,000, or \$6,000 for a
33 married couple filing a joint return, for each designated beneficiary that
34 are contributed to: (1) A family postsecondary education savings account
35 established under the Kansas postsecondary education savings program or
36 a qualified tuition program established and maintained by another state or
37 agency or instrumentality thereof pursuant to section 529 of the internal
38 revenue code of 1986, as amended, for the purpose of paying the qualified
39 higher education expenses of a designated beneficiary; or (2) an achieving
40 a better life experience (ABLE) account established under the Kansas
41 ABLE savings program or a qualified ABLE program established and
42 maintained by another state or agency or instrumentality thereof pursuant
43 to section 529A of the internal revenue code of 1986, as amended, for the

1 purpose of saving private funds to support an individual with a disability.
2 The terms and phrases used in this paragraph shall have the meaning
3 respectively ascribed thereto by the provisions of K.S.A. 75-643 and 75-
4 652, and amendments thereto, and the provisions of such sections are
5 hereby incorporated by reference for all purposes thereof. For all taxable
6 years beginning after December 31, 2022, contributions made to a
7 qualified tuition program account or a qualified ABLE program account
8 pursuant to this paragraph on and after January 1 but prior to the date
9 required for filing a return pursuant to K.S.A. 79-3221, and amendments
10 thereto, of the successive taxable year may be elected by the taxpayer to
11 apply to the prior taxable year if such election is made at the time of filing
12 the return. No contribution shall be used as a modification pursuant to this
13 paragraph in more than one taxable year.

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, to the extent that
29 such death benefits are included in federal adjusted gross income of the
30 taxpayer.

31 ~~(xviii) For the taxable year beginning after December 31, 2006,~~
32 ~~amounts received as benefits under the federal social security act which~~
33 ~~are included in federal adjusted gross income of a taxpayer with federal~~
34 ~~adjusted gross income of \$50,000 or less, whether such taxpayer's filing~~
35 ~~status is single, head of household, married filing separate or married filing~~
36 ~~jointly; and (A) For all taxable years beginning after December 31, 2007,~~
37 ~~and ending before January 1, 2024,~~ amounts received as benefits under the
38 federal social security act which are included in federal adjusted gross
39 income of a taxpayer with federal adjusted gross income of \$75,000 or
40 less, whether such taxpayer's filing status is single, head of household,
41 married filing separate or married filing jointly.

42 (B) For all taxable years beginning after December 31, 2023,
43 amounts received as benefits under the federal social security act that are

1 *included in federal adjusted gross income of a taxpayer.*

2 (xix) Amounts received by retired employees of Washburn university
3 as retirement and pension benefits under the university's retirement plan.

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

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

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

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

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

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

17 (xxv) For all taxable years commencing after December 31, 2020,
18 100% of global intangible low-taxed income under section 951A of the
19 federal internal revenue code of 1986, before any deductions allowed
20 under section 250(a)(1)(B) of such code.

21 (xxvi) (1) For all taxable years commencing after December 31,
22 2020, the amount of any interest expense paid or accrued in the current
23 taxable year and disallowed as a deduction pursuant to section 163(j) of
24 the federal internal revenue code.

25 (2) For purposes of this paragraph, an interest expense is considered
26 paid or accrued only in the first taxable year the deduction would have
27 been allowable pursuant to section 163 of the federal internal revenue code
28 if the limitation pursuant to section 163(j) of the federal internal revenue
29 code did not exist.

30 (3) For tax year 2021, an amount equal to the sum of any interest
31 expenses paid or accrued in tax years 2018, 2019 and 2020 less the sum of
32 amounts allowed as a deduction pursuant to section 163 of the federal
33 internal revenue code in tax years 2018, 2019 and 2020.

34 (xxvii) For taxable years commencing after December 31, 2020, the
35 amount disallowed as a deduction pursuant to section 274 of the federal
36 internal revenue code of 1986 for meal expenditures shall be allowed to
37 the extent such expense was deductible for determining federal income tax
38 and was allowed and in effect on December 31, 2017.

39 (xxviii) For all taxable years beginning after December 31, 2021: (1)
40 The amount contributed to a first-time home buyer savings account
41 pursuant to K.S.A. 2023 Supp. 58-4903, and amendments thereto, in an
42 amount not to exceed \$3,000 for an individual or \$6,000 for a married
43 couple filing a joint return; or (2) amounts received as income earned from

1 assets in a first-time home buyer savings account. For all taxable years
2 beginning after December 31, 2022, contributions made to a first-time
3 home buyer savings account pursuant to subparagraph (1) on and after
4 January 1 but prior to the date required for filing a return pursuant to
5 K.S.A. 79-3221, and amendments thereto, of the successive taxable year
6 may be elected by the taxpayer to apply to the prior taxable year if such
7 election is made at the time of filing the return. No contribution shall be
8 used as a modification pursuant to subparagraph (1) in more than one
9 taxable year.

10 (xxix) For taxable years beginning after December 31, 2017, for an
11 individual taxpayer who carried back federal net operating losses arising in
12 a taxable year beginning after December 31, 2017, and before January 1,
13 2021, pursuant to section 172(b)(1) of the federal internal revenue code as
14 amended by the coronavirus aid, relief, and economic security act
15 (CARES act), the amount of such federal net operating loss carryback for
16 each applicable year. If the amount of such federal net operating loss
17 carryback exceeds the taxpayer's Kansas adjusted gross income for such
18 taxable year, the amount thereof that exceeds such Kansas adjusted gross
19 income may be carried forward as a subtraction modification in the
20 following taxable year or years until the total amount of such federal net
21 operating loss carryback has been deducted, except that no such unused
22 amount shall be carried forward for deduction as a subtraction
23 modification after the 20th taxable year following the taxable year of the
24 net operating loss. Notwithstanding any other provision of law to the
25 contrary, an extension of time shall be allowed for a claim for refund or
26 amended return for tax years 2018, 2019 or 2020 limited to the application
27 of the provisions of this paragraph and such claim for refund or amended
28 return must be filed on or before April 15, 2025.

29 (xxx) For all taxable years beginning after December 31, 2024: (1)
30 The amount contributed to an adoption savings account pursuant to section
31 3 of 2024 House Bill No. 2465, and amendments thereto, in an amount not
32 to exceed \$6,000 for an individual or \$12,000 for a married couple filing a
33 joint return; or (2) amounts received as income earned from assets in an
34 adoption savings account.

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

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

1 Sec. 19. K.S.A. 2023 Supp. 79-32,119 is hereby amended to read as
2 follows: 79-32,119. (a) The Kansas standard deduction of an individual,
3 including a husband and wife who are either both residents or who file a
4 joint return as if both were residents, shall be equal to the sum of the
5 standard deduction amount allowed pursuant to this section, and the
6 additional standard deduction amount allowed pursuant to this section for
7 each such deduction allowable to such individual or to such husband and
8 wife under the federal internal revenue code.

9 (b) For tax year 1998, and all tax years thereafter, the additional
10 standard deduction amount shall be as follows: Single individual and head
11 of household filing status, \$850; and married filing status, \$700.

12 (c) ~~(1) For tax year 2013 through tax year 2020, the standard~~
13 ~~deduction amount of an individual, including husband and wife who are~~
14 ~~either both residents or who file a joint return as if both were residents,~~
15 ~~shall be as follows: Single individual filing status, \$3,000; married filing~~
16 ~~status, \$7,500; and head of household filing status, \$5,500.~~

17 ~~(2) For tax year years 2021, and all tax years thereafter through 2023,~~
18 the standard deduction amount of an individual, including husband and
19 wife who are either both residents or who file a joint return as if both were
20 residents, shall be as follows: Single individual filing status, \$3,500;
21 married filing status, \$8,000; and head of household filing status, \$6,000.

22 (2) *For tax year 2024, and all tax years thereafter, the standard*
23 *deduction amount of an individual, including husband and wife who are*
24 *either both residents or who file a joint return as if both were residents,*
25 *shall be as follows: Single individual filing status, \$3,605; married filing*
26 *status, \$8,240; and head of household filing status, \$6,180.*

27 (d) For purposes of this section, the federal standard deduction
28 allowable to a husband and wife filing separate Kansas income tax returns
29 shall be determined on the basis that separate federal returns were filed,
30 and the federal standard deduction of a husband and wife filing a joint
31 Kansas income tax return shall be determined on the basis that a joint
32 federal income tax return was filed.

33 Sec. 20. K.S.A. 2023 Supp. 79-32,121 is hereby amended to read as
34 follows: 79-32,121. ~~(a) An individual~~ *For tax year 2024, and all tax years*
35 *thereafter, a taxpayer shall be allowed a Kansas exemption of \$2,250 for*
36 ~~each exemption as follows:~~

37 (1) *In the case of married individuals filing a joint return, a personal*
38 *exemption of \$18,320;*

39 (2) *in the case of all other individuals with a filing status of single,*
40 *head of household or married filing separate, a personal exemption of*
41 *\$9,160; and*

42 (3) *in addition to the amount allowed pursuant to paragraph (1) or*
43 *(2), a personal exemption of \$2,320 for each dependent for which such*

1 ~~individual~~ *taxpayer* is entitled to a deduction for the taxable year for
2 federal income tax purposes.

3 (b) In addition to the exemptions provided in subsection (a), any
4 individual who has been honorably discharged from active service in any
5 branch of the armed forces of the United States and who is certified by the
6 United States department of veterans affairs or its successor to be in
7 receipt of disability compensation at the 100% rate, if the disability is
8 permanent and was sustained through military action or accident or
9 resulted from disease contracted while in such active service, such
10 individual shall be allowed an additional Kansas exemption of \$2,250 for
11 tax year 2023 and all tax years thereafter.

12 Sec. 21. K.S.A. 65-163j, 65-3306, 65-3327, 75-2556, 79-503a, 79-
13 5a27, 79-1107, 79-1108, 79-1479 and 79-32,111c and K.S.A. 2023 Supp.
14 74-8768, 79-201x, 79-32,110, 79-32,119 and 79-32,121 are hereby
15 repealed.

16 Sec. 22. On and after July 1, 2024, K.S.A. 19-2694, 79-2960, 79-
17 2961, 79-2962, 79-2965, 79-2966 and 79-2967 and K.S.A. 2023 Supp. 79-
18 2959, as amended by section 189 of 2023 Senate Bill No. 28, 79-2964, as
19 amended by section 190 of 2023 Senate Bill No. 28, 79-2988, as amended
20 by section 15 of 2024 Senate Bill No. 410, and 79-32,117, as amended by
21 section 14 of 2023 Senate Bill No. 27, are hereby repealed.

22 Sec. 23. This act shall take effect and be in force from and after its
23 publication in the Kansas register.