

SESSION OF 2024

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2610**

As Recommended by House Committee on  
Taxation

**Brief\***

HB 2610 would create a subtraction modification in determining Kansas adjusted gross income for taxpayers who have transferred certain property to the Kansas Department of Transportation (KDOT) or a public utility as a result of the exercise of eminent domain.

The modification would apply to transfer of property used as a farm or ranch, provided the taxpayer resides within 10 miles of such property.

The subtraction modification would be in the amount of an appraiser's award or final judgment, if such property was taken pursuant to eminent domain, or in the amount of the sale, if such property was sold when otherwise subject to a taking pursuant to eminent domain.

The subtraction modification would be limited to amounts included in the federal adjusted gross income of the taxpayer and available for taxable years beginning after December 31, 2020.

**Background**

The bill was introduced by the House Committee on Taxation at the Request of Representative Eplee.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

### ***House Committee on Taxation***

In the House Committee hearing, **proponent** testimony was provided by two private citizens, who generally stated taxpayers who are forced to transfer property to the State or utilities should not have to pay taxes on income from such transfers, and the bill would provide recourse under such situations.

Written-only proponent testimony was provided by a representative of the Kansas Association of Realtors.

No other testimony was provided.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue indicates enactment of the bill would decrease state revenues by unknown amounts, in addition to requiring \$73,015 from the State General Fund in FY 2025 to implement the provisions of the bill.

KDOT indicates enactment of the bill would not have an effect on fiscal operations. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Taxation; income tax; subtraction modification; eminent domain