AN ACT concerning income taxation; relating to corporations; providing
    for an extension of the net operating loss carryforward period;
    amending K.S.A. 79-32,143 and repealing the existing section.

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

Section 1. K.S.A. 79-32,143 is hereby amended to read as follows:

79-32,143. (a) (A) For net operating losses incurred in taxable years
    beginning after December 31, 1987, and
    prior to January 1, 2018, a net
    operating loss deduction shall be allowed in the same manner that it is
    allowed under the federal internal revenue code, except that such net
    operating loss may only be carried forward to each of the 10 taxable years
    following the taxable year of the net operating loss.

    (B) For net operating losses incurred in taxable years beginning
    after December 31, 2017, a net operating loss deduction shall be allowed
    in the same manner that it is allowed under the federal internal revenue
    code, except that such net operating loss deduction may only be carried
    forward to each of the 20 taxable years following the taxable year of the
    net operating loss.

    (2) For net operating farm losses, as defined by subsection (i) of
    section 172 of the federal internal revenue code, incurred in taxable years
    beginning after December 31, 1999, a net operating loss deduction shall be
    allowed in the same manner that it is allowed under the federal internal
    revenue code except that such net operating loss may be carried forward to
    each of the 10 taxable years following the taxable year of the net operating
    loss.

    (3) The amount of the net operating loss that may be carried back or
    forward for Kansas income tax purposes shall be that portion of the federal
    net operating loss allocated to Kansas under this act in the taxable year that
    the net operating loss is sustained.

    (b) The amount of the loss to be carried back or forward will be the
    federal net operating loss after: (1) All modifications required under this
    act applicable to the net loss in the year the loss was incurred; and (2) after
    apportionment as to source in the case of corporations, nonresident
    individuals for losses incurred in taxable years beginning prior to January
    1, 1978, and nonresident estates and trusts in the same manner that income
    for such corporations, nonresident individuals, estates and trusts is
required to be apportioned.

(c) If a net operating loss was incurred in a taxable year beginning prior to January 1, 1988, the amount of the net operating loss that may be carried back and carried forward and the period for which it may be carried back and carried forward shall be determined under the provisions of the Kansas income tax laws which were in effect during the year that such net operating loss was incurred.

(d) If any portion of a net operating loss described in subsections (a) and (b) is not utilized prior to the final year of the carryforward period provided in subsection (a), a refund shall be allowable in such final year in an amount equal to the refund which would have been allowable in the taxable year the loss was incurred by utilizing the three year carryback provided under K.S.A. 79-32,143, as in effect on December 31, 1987, multiplied by a fraction, the numerator of which is the unused portion of such net operating loss in the final year, and the denominator of which is the amount of such net operating loss which could have been carried back to the three years immediately preceding the year in which the loss was incurred. In no event may such fraction exceed $1.

(e) Notwithstanding any other provisions of the Kansas income tax act, the net operating loss as computed under subsections (a), (b) and (c) of this section shall be allowed in full in determining Kansas taxable income or at the option of the taxpayer allowed in full in determining Kansas adjusted gross income.

(f) No refund of income tax which results from a net operating farm loss carry back shall be allowed in an amount exceeding $1,500 in any year. Any overpayment in excess of $1,500 may be carried forward to any year or years after the year of the loss and may be claimed as a credit against the tax. The refundable portion of such credit shall not exceed $1,500 in any year.

(g) For tax year 2013, and all tax years thereafter, a net operating loss allowed by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to subsection (c) of K.S.A. 79-32,110(c), and amendments thereto, and used only to determine such taxpayer's corporate income tax liability.

Sec. 2. K.S.A. 79-32,143 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.