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

New Section 1. For all tax years commencing after December 31, 2017, the Kansas adjusted gross income of an individual means such individual's federal adjusted gross income for the taxable year, less: (a) Interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States and its possessions less any related expenses directly incurred in the purchase of such obligations or securities, to the extent included in federal adjusted gross income but exempt from state income taxes under the laws of the United States; (b) amounts received as annuities under the federal civil service retirement system from the civil service retirement and disability fund and other amounts received as retirement benefits in whatever form that were earned for being employed by the federal government or for service in the armed forces of the United States; (c) amounts received by retired railroad employees as a supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and 228c(a)(1) et seq.; (d) the amount of the federal tentative jobs tax credit disallowance under the provisions of 26 U.S.C. § 280 C; and (e) the amount of the targeted jobs tax credit and work incentive credit disallowances under 26 U.S.C. § 280 C.

New Sec. 2. For all tax years commencing after December 31, 2017, the director shall remit the entire amount collected from the income tax imposed upon individuals under the Kansas income tax act to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall: (1) Deposit the entire amount in the state treasury to the credit of the school finance fund; or (2) if the amount in the school finance fund exceed the fund's balance for the previous year as adjusted by the consumer price index, deposit the excess amount in the state general fund.
Sec. 3. K.S.A. 2016 Supp. 74-50,132 is hereby amended to read as follows: 74-50,132. (a) For taxable years commencing after December 31, 1997, a qualified firm shall be entitled to a credit against the tax imposed by the Kansas income tax act, the premium tax or privilege fee imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated, and amendments thereto, in an amount equal to the portion of the qualified business facility cash investment in the training and education of the firm's employees that exceeds 2% of the firm's total payroll costs. The maximum amount of the credit that may be claimed by a single corporate taxpayer in any single tax year under this section shall not exceed $50,000. Tax credits earned by a qualified business under this section must be claimed in their entirety in the tax year eligible.

(b) For tax years commencing after December 31, 2005, any taxpayer claiming credits pursuant to this section, as a condition for claiming and qualifying for such credits, shall provide information pursuant to K.S.A. 2016 Supp. 79-32,243, and amendments thereto, as part of the tax return in which such credits are claimed. Such credits shall not be denied solely on the basis of the contents of the information provided by the taxpayer pursuant to K.S.A. 2016 Supp. 79-32,243, and amendments thereto.

(c) For tax year 2018, and all tax years thereafter, the credit allowed by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to K.S.A. 79-32,110(c), and amendments thereto, the premium tax or privilege fee imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax imposed upon any national banking association, state bank, savings bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and used only to determine such taxpayer's corporate income, premium tax or privilege tax liability.

Sec. 4. K.S.A. 2016 Supp. 74-50,208 is hereby amended to read as follows: 74-50,208. (a) A program contributor shall be allowed a credit against state income tax imposed under the Kansas income tax act in an amount not to exceed 75% of the contribution amount. If the amount of the credit allowed by this section exceeds the taxpayer's income tax liability imposed under the Kansas income tax act, such excess amount shall be refunded to the taxpayer. No credit pursuant to this section shall be allowed for any contribution made by a program contributor which also qualified for a community services tax credit pursuant to the provisions of K.S.A. 79-32,195 et seq., and amendments thereto.

(b) The administration of the community-based organization, with the cooperation of the participating financial institutions, shall submit the
names of contributors and the total amount each contributor contributes to
the individual development account reserve fund for the calendar year. The
secretary of revenue shall determine the date by which such information
shall be submitted to the department of revenue by the local administrator.

(c) The total tax credits authorized pursuant to this section shall not
exceed $500,000 in any fiscal year.

(d) The provisions of this section shall be applicable to all taxable
years commencing after December 31, 2014.

(e) For tax year 2018, and all tax years thereafter, the income tax
credit provided by this section shall only be available to taxpayers subject
to the income tax on corporations imposed pursuant to K.S.A. 79-
32,110(c), and amendments thereto, and shall be applied only against such
taxpayer's corporate income tax liability.

Sec. 5. K.S.A. 2016 Supp. 74-8133 is hereby amended to read as
follows: 74-8133. (a) A credit against the tax imposed by article 32 of
chapter 79 of the Kansas Statutes Annotated, and amendments thereto, on
the Kansas taxable income of an angel investor and against the tax
imposed by K.S.A. 40-252, and amendments thereto, shall be allowed for
a cash investment in the qualified securities of a qualified Kansas business.
The credit shall be in a total amount equal to 50% of such investors' cash
investment in any qualified Kansas business, subject to the limitations set
forth in subsection (b). This tax credit may be used in its entirety in the
taxable year in which the cash investment is made except that no tax credit
shall be allowed in a year prior to January 1, 2005. If the amount by which
that portion of the credit allowed by this section exceeds the investors' cash
investment in any one taxable year, beginning in the year 2005, the remaining
portion of the credit may be carried forward until the total amount of the
credit is used. If the investor is a permitted entity investor, the credit
provided by this section shall be claimed by the owners of the permitted
taxpayer's corporate income tax liability.

(b) The secretary of revenue shall not allow tax credits of more than
$50,000 for a single Kansas business or a total of $250,000 in tax credits
for a single year per investor who is a natural person or owner of a
permitted entity investor. No tax credits authorized by this act shall be
allowed for any cash investments in qualified securities for any year after
the year 2021. The total amount of tax credits which may be allowed under
this section shall not exceed $4,000,000 during the tax year 2007 and
$6,000,000 for tax year 2008 and each tax year thereafter, except that for
tax year 2011, the total amount of tax credits which may be allowed under
this section shall not exceed $5,000,000. The balance of unissued tax
credits may be carried over for issuance in future years until 2021.

(c) A cash investment in a qualified security shall be deemed to have
been made on the date of acquisition of the qualified security, as such date
is determined in accordance with the provisions of the internal revenue
code.

(d) No investor shall claim a credit under this section for cash
investments in Kansas venture capital, inc. No Kansas venture capital
compny shall qualify for the tax credit for an investment in a fund created
by articles 81, 82, 83 or 84 of chapter 74 of the Kansas Statutes Annotated,
and amendments thereto.

(e) Any investor who has not owed any Kansas income tax under the
provisions of article 32, chapter 79 of the Kansas Statutes Annotated, and
amendments thereto, for the immediate past three taxable years, who does
not reasonably believe that it will owe any such tax for the current taxable
year and who makes a cash investment in a qualified security of a qualified
Kansas business shall be deemed to acquire an interest in the nature of a
transferable credit limited to an amount equal to 50% of this cash
investment. This interest may be transferred to any natural person of net
worth, as defined in 17 C.F.R. § 230.501(a) as in effect on the effective
date of this act whether or not such person is then an investor and be
claimed by the transferee as a credit against the transferee's Kansas income
tax liability beginning in the year provided in subsection (a). No person
shall be entitled to a refund for the interest created under this section. Only
the full credit for any one investment may be transferred and this interest
may only be transferred one time. A credit acquired by transfer shall be
subject to the limitations prescribed in this section. Documentation of any
credit acquired by transfer shall be provided by the investor in the manner
required by the director of taxation.

(f) The reasonable costs of the administration of this act, the review
of applications for certification as qualified Kansas businesses and the
issuance of tax credits authorized by this act shall be reimbursed through
fees paid by the qualified Kansas businesses and the investors or the
transferees of investors, according to a reasonable fee schedule adopted by
the secretary by rules and regulations in accordance with the rules and
regulations filing act.

(g) (1) For tax year 2018, and all tax years thereafter, the credit
allowed by this section shall only be available to taxpayers subject to the
income tax on corporations imposed pursuant to K.S.A. 79-32,110(c), and
amendments thereto, the premium tax or privilege fee imposed pursuant to
K.S.A. 40-252, and amendments thereto, and used only to determine such
taxpayer's corporate income or premium tax liability.

(2) Any credit earned pursuant to the provisions of this section prior
to tax year 2018, may be carried forward to succeeding tax years as
provided in subsection (a).

Sec. 6. K.S.A. 2016 Supp. 74-99c09 is hereby amended to read as
follows: 74-99c09. (a) Any money received by the center from any source shall be maintained in interest-bearing accounts in Kansas banks or Kansas savings and loan associations. Any accounts so maintained shall be administered by the center for entrepreneurship under guidelines developed and implemented by the center and approved by the secretary of commerce.

(b) The Kansas center for entrepreneurship shall be subject to audit by the legislative division of post audit in accordance with the provisions of the legislative post audit act.

(c) A credit against the tax imposed by the Article 32, Chapter 79 of the Kansas Statutes Annotated, and amendments thereto, on the Kansas taxable income of a contributor and against the tax imposed by K.S.A. 40-252, and amendments thereto, shall be allowed for a contribution to the Kansas center for entrepreneurship. The credit shall be a total maximum amount equal to 75% of a contributor's donation to the Kansas center for entrepreneurship, subject to the limitation set forth. This tax credit may be used in its entirety in the taxable year in which the contribution is made. The provisions of this section shall be applicable to all taxable years beginning after December 31, 2004. If the amount by which that portion of the credit allowed by this section exceeds the contributor's liability in any one taxable year, the remaining portion of the credit may be carried forward until the total amount of the credit is used. If the contributor is a corporation having an election in effect under subchapter S of the federal internal revenue code or a partnership, the credit provided by this section shall be claimed by the shareholders of these corporations or the partners of a partnership in the same manner as these shareholders or partners account for their proportionate shares of the income or loss of these corporations or partnerships.

(d) The secretary of revenue shall not allow tax credits of more than $50,000 that are attributable to an individual contributor in the Kansas center for entrepreneurship each year. In no event shall the total amount of tax credits allowed under this section exceed $2,000,000 for any one fiscal year, except that for fiscal year 2011, the total amount of credits allowed under this section shall not exceed $1,800,000.

(e) The Kansas center for entrepreneurship, along with the department, shall develop a system for application for registration of an authorization of tax credits authorized pursuant to this act and shall control distribution of all tax credits to contributors pursuant to this act. The Kansas center for entrepreneurship, along with the department, shall also develop rules for the administration of and disbursements from its accounts.

(f) The Kansas center for entrepreneurship shall distribute funds to regional or local community seed capital funds or economic development
agencies based on the following criteria: (1) The organization can provide a 40% match; (2) the organization provides a plan that assures funds will be used as seed capital for qualified entrepreneurs; (3) the funds will be used in a distressed or rural community; or (4) other criteria as deemed necessary by the Kansas center for entrepreneurship.

(g) (1) For tax year 2018, and all tax years thereafter, the credit allowed by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to K.S.A. 79-32,110(c), and amendments thereto, the premium tax or privilege fee imposed pursuant to K.S.A. 40-252, and amendments thereto, and used only to determine such taxpayer's corporate income or premium tax liability.

(2) Any credit earned pursuant to the provisions of this section prior to tax year 2018, may be carried forward to succeeding tax years as provided in subsection (c).

Sec. 7. K.S.A. 2016 Supp. 79-32,105 is hereby amended to read as follows: 79-32,105. (a) Except as otherwise provided by section 2, and amendments thereto, the director shall remit the entire amount collected under the provisions of this act and from the income tax imposed upon individuals, corporations, estates or trusts pursuant to the "Kansas income tax act" less amounts withheld as provided in subsection (b) and any amounts credited to the IMPACT program repayment fund or the IMPACT program services fund under K.S.A. 74-50,107, and amendments thereto, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

(b) A revolving fund, designated as "income tax refund fund" not to exceed $4,000,000 shall be set apart and maintained by the director from income tax collections, franchise tax collections, withholding tax collections, and estimated tax collections and held by the state treasurer for prompt payment of all income tax refunds and franchise tax refunds, for the payment of interest as provided in subsection (e), for payment of homestead property tax refunds in accordance with the homestead property tax refund act and for payment of property tax refunds allowed pursuant to the provisions of K.S.A. 2016 Supp. 79-255, and amendments thereto. The fund shall be in such amount, within the limit set by this section, as the director determines is necessary to meet current refunding requirements under this act.

(c) If the director discovers from the examination of the return, or upon claim duly filed by the taxpayer or upon final judgment of the court that the income tax, withholding tax, declaration of estimated tax or any penalty or interest paid by or credited to any taxpayer is in excess of the amount legally due for such tax or any other tax owed the state of Kansas,
the director shall certify to the director of accounts and reports the name of
the taxpayer, the amount of refund and such other information as the
director may require. Upon receipt of such certification the director of
accounts and reports shall issue a warrant on the state treasurer for the
payment to the taxpayer out of the fund provided in subsection (b), except
that no refund shall be made for a sum less than $5, but such amount may
be claimed by the taxpayer as a credit against the taxpayer's tax liability in
the taxpayer's next succeeding taxable year.

(d) When a resident taxpayer dies, and the director determines that a
refund is due the claimant not in excess of $100, the director shall certify
to the director of accounts and reports the name and address of the
claimant entitled to the refund and the amount of the refund. A refund may
be made upon a claim duly made on behalf of the estate of the deceased or
in the absence of any such claim upon a claim by a surviving spouse and if
none upon the claim by any heir at law. Upon receipt of such certification
the director of accounts and reports shall issue a warrant on the state
treasurer for the payment to the claimant out of the fund provided in
subsection (b).

(e) Interest shall be allowed and paid at the rate of 12% per annum
upon any overpayment of the income tax imposed upon individuals,
corporations, estates or trusts pursuant to the Kansas income tax act for
any period prior to January 1, 1995, 6% per annum for the period
commencing on January 1, 1995, and ending on December 31, 1997, and
at the rate prescribed and determined pursuant to K.S.A. 79-2968, and
amendments thereto, for any period thereafter.

For the purposes of this subsection:
(1) Any return filed before the last day prescribed for the filing
thereof shall be considered as filed on such last day, determined without
regard to any extension of time granted the taxpayer;
(2) any tax paid by the taxpayer before the last day prescribed for its
payment, any income tax withheld from the taxpayer during any calendar
year and any amount paid by the taxpayer as estimated income tax for a
taxable year shall be deemed to have been paid on the last day prescribed
for filing the return for the taxable year to which such amount constitutes a
credit or payment, determined without regard to any extension of time
granted the taxpayer;
(3) if any overpayment of tax results from a carryback of a net
operating loss or net capital loss, such overpayment shall be deemed not to
have been made prior to the close of the taxable year in which such net
operating loss or net capital loss arises. For purposes of this paragraph, the
return for the loss year shall not be deemed to be filed before claim for
such overpayment is filed;
(4) in the case of a credit, interest shall be allowed and paid from the
date of the overpayment to the due date of the amount against which the
credit is taken, except that if any overpayment of income tax is claimed as
a credit against estimated tax for the succeeding taxable year, such amount
shall be considered as a payment of the income tax for the succeeding
taxable year, whether or not claimed as a credit in the return of estimated
tax for such succeeding taxable year, and no interest shall be allowed or
paid in such overpayment for the taxable year in which the overpayment
arises;
(5) in the case of a tax return which is filed after the last date
prescribed for filing such return, determined with regard to extensions, no
interest shall be allowed or paid for any period before the date on which
the return is filed;
(6) in the case of a refund, interest shall be allowed and paid from the
date of the overpayment to a date preceding the date of the refund check
by not more than 30 days, as determined by the director, whether or not
such refund check is accepted by the taxpayer after tender of such check to
the taxpayer, but acceptance of such check shall be without prejudice to
any right of the taxpayer to claim any additional overpayment and interest
thereon; and
(7) if any overpayment is refunded within two months after the last
date prescribed, or permitted by extension of time, for filing the return of
such tax, or within two months after the return was filed, whichever is
later, no interest shall be allowed or paid. For the purposes of this section,
an overpayment shall be deemed to have been refunded at the time the
refund check in the amount of the overpayment, plus any interest due
thereon, is deposited in the United States mail.
Sec. 8. K.S.A. 2016 Supp. 79-32,110 is hereby amended to read as
follows: 79-32,110. (a) Resident Individuals. Except as otherwise provided
by K.S.A. 79-3220(a), and amendments thereto, a tax is hereby imposed
upon the Kansas taxable income of every resident individual, which tax
shall be computed in accordance with the following tax schedules:
(1) Married individuals filing joint returns.
(A) For tax year 2012:
If the taxable income is: The tax is:
Not over $30,000.......................................3.5% of Kansas taxable
income
Over $30,000 but not over $60,000............$1,050 plus 6.25% of
over $30,000 excess over $30,000
Over $60,000..............................................$2,925 plus 6.45% of
excess over $60,000
(B) For tax year 2013:
If the taxable income is: The tax is:
Not over $30,000.......................................3.0% of Kansas taxable
(C) For tax year 2014:

If the taxable income is: The tax is:
Not over $30,000.................................2.7% of Kansas taxable income
Over $30,000................................................$900 plus 4.9% of excess over $30,000

(D) For tax years 2015, 2016 and 2017:

If the taxable income is: The tax is:
Not over $30,000.................................2.7% of Kansas taxable income
Over $30,000................................................$810 plus 4.8% of excess over $30,000

(E) For tax year 2018, and all tax years thereafter:

If the taxable income is: The tax is:
Not over $30,000.................................2.6% of Kansas taxable income
Over $30,000................................................$780 plus 4.6% of excess over $30,000

(2) All other individuals.

(A) For tax year 2012:

If the taxable income is: The tax is:
Not over $15,000.................................3.5% of Kansas taxable income
Over $15,000 but not over $30,000..............$525 plus 6.25% of excess over $15,000
Over $30,000................................................$1,462.50 plus 6.45% of excess over $30,000

(B) For tax year 2013:

If the taxable income is: The tax is:
Not over $15,000.................................3.0% of Kansas taxable income
Over $15,000................................................$450 plus 4.9% of excess over $15,000

(C) For tax year 2014:

If the taxable income is: The tax is:
Not over $15,000.................................2.7% of Kansas taxable income
Over $15,000................................................$405 plus 4.8% of excess over $15,000

(D) For tax years 2015, 2016 and 2017:
If the taxable income is:  

Not over $15,000..............................................................................................................2.7% of Kansas taxable income

Over $15,000......................................................................................................................$405 plus 4.6% of excess over $15,000

(E) For tax year 2018, and all tax years thereafter:

If the taxable income is:  

Not over $15,000..............................................................................................................2.6% of Kansas taxable income

Over $15,000......................................................................................................................$390 plus 4.6% of excess over $15,000

(3) All resident individuals. For tax year 2018, and all tax years thereafter, for all individuals regardless of filing status, the tax shall be in an amount equal to 4.4% of the Kansas taxable income of such individuals.

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

(c) Corporations. A tax is hereby imposed upon the Kansas taxable income of every corporation doing business within this state or deriving income from sources within this state. Such tax shall consist of a normal tax and a surtax and shall be computed as follows:

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

(2) (A) for tax year 2008, the surtax shall be in an amount equal to 3.1% of the Kansas taxable income of such corporation in excess of $50,000;  

(B) for tax years 2009 and 2010, the surtax shall be in an amount equal to 3.05% of the Kansas taxable income of such corporation in excess of $50,000; and

(C) for tax year 2011, and all tax years thereafter, the surtax shall be in an amount equal to 3% of the Kansas taxable income of such corporation in excess of $50,000.

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

(e) Tax rates provided in this section shall be adjusted pursuant to the provisions of K.S.A. 2016 Supp. 79-32,269, and amendments thereto.

(f) Notwithstanding the provisions of subsections (a) and (b), for tax years 2016 and 2017, and all tax years thereafter, married individuals filing joint returns with taxable income of $12,500 or less, and all other
individuals with taxable income of $5,000 or less, shall have a tax liability of zero.

Sec. 9. K.S.A. 2016 Supp. 79-32,117 is hereby amended to read as follows: 79-32,117. (a) For all tax years ending before January 1, 2018, the Kansas adjusted gross income of an individual means such individual’s federal adjusted gross income for the taxable year, with the modifications specified in this section.

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

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

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

(iii) The federal net operating loss deduction.

(iv) Federal income tax refunds received by the taxpayer if the deduction of the taxes being refunded resulted in a tax benefit for Kansas income tax purposes during a prior taxable year. Such refunds shall be included in income in the year actually received regardless of the method of accounting used by the taxpayer. For purposes hereof, a tax benefit shall be deemed to have resulted if the amount of the tax had been deducted in determining income subject to a Kansas income tax for a prior year regardless of the rate of taxation applied in such prior year to the Kansas taxable income, but only that portion of the refund shall be included as bears the same proportion to the total refund received as the federal taxes deducted in the year to which such refund is attributable bears to the total federal income taxes paid for such year. For purposes of the foregoing sentence, federal taxes shall be considered to have been deducted only to the extent such deduction does not reduce Kansas taxable income below
(v) The amount of any depreciation deduction or business expense deduction claimed on the taxpayer's federal income tax return for any capital expenditure in making any building or facility accessible to the handicapped, for which expenditure the taxpayer claimed the credit allowed by K.S.A. 79-32,177, and amendments thereto.

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

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

(viii) The amount of any costs incurred for improvements to a swine facility, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 2016 Supp. 79-32,204, and amendments thereto.

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

(x) Amounts received as nonqualified withdrawals, as defined by K.S.A. 2016 Supp. 75-643, and amendments thereto, if, at the time of contribution to a family postsecondary education savings account, such amounts were subtracted from the federal adjusted gross income pursuant to K.S.A. 79-32,117(c)(xv), and amendments thereto, or if such amounts are not already included in the federal adjusted gross income.

(xi) The amount of any contribution made to the same extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 2016 Supp. 74-50,154, and amendments thereto.

(xii) For taxable years commencing after December 31, 2004, amounts received as withdrawals not in accordance with the provisions of K.S.A. 2016 Supp. 74-50,204, and amendments thereto, if, at the time of contribution to an individual development account, such amounts were subtracted from the federal adjusted gross income pursuant to subsection (c)(xiii), or if such amounts are not already included in the federal adjusted gross income.

(xiii) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 2016 Supp. 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.
(xiv) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2016 Supp. 79-32,221, and amendments thereto.


(xvii) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2016 Supp. 79-32,256, and amendments thereto.

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

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

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

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

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

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

(xxiv) For taxable years commencing after December 31, 2013, that
portion of the amount of any expenditure deduction claimed in
determining federal adjusted gross income for expenses paid for medical
care of the taxpayer or the taxpayer's spouse or dependents when such
expenses were paid or incurred for an abortion, or for a health benefit plan,
as defined in K.S.A. 2016 Supp. 65-6731, and amendments thereto, for the
purchase of an optional rider for coverage of abortion in accordance with
K.S.A. 2016 Supp. 40-2,190, and amendments thereto, to the extent that
such taxes and assessments are claimed as an itemized deduction for
federal income tax purposes.

(xxv) For taxable years commencing after December 31, 2013, that
portion of the amount of any expenditure deduction claimed in
determining federal adjusted gross income for expenses paid by a taxpayer
for health care when such expenses were paid or incurred for abortion
coverage, a health benefit plan, as defined in K.S.A. 2016 Supp. 65-6731,
and amendments thereto, when such expenses were paid or incurred for
abortion coverage or amounts contributed to health savings accounts for
such taxpayer's employees for the purchase of an optional rider for
coverage of abortion in accordance with K.S.A. 2016 Supp. 40-2,190, and
amendments thereto, to the extent that such taxes and assessments are
claimed as a deduction for federal income tax purposes.
(c) There shall be subtracted from federal adjusted gross income:
(i) Interest or dividend income on obligations or securities of any
authority, commission or instrumentality of the United States and its
possessions less any related expenses directly incurred in the purchase of
such obligations or securities, to the extent included in federal adjusted
gross income but exempt from state income taxes under the laws of the
United States.
(ii) Any amounts received which are included in federal adjusted
gross income but which are specifically exempt from Kansas income
taxation under the laws of the state of Kansas.
(iii) The portion of any gain or loss from the sale or other disposition
of property having a higher adjusted basis for Kansas income tax purposes
than for federal income tax purposes on the date such property was sold or
disposed of in a transaction in which gain or loss was recognized for
purposes of federal income tax that does not exceed such difference in
basis, but if a gain is considered a long-term capital gain for federal
income tax purposes, the modification shall be limited to that portion of
such gain which is included in federal adjusted gross income.
(iv) The amount necessary to prevent the taxation under this act of
any annuity or other amount of income or gain which was properly
included in income or gain and was taxed under the laws of this state for a
taxable year prior to the effective date of this act, as amended, to the
taxpayer, or to a decedent by reason of whose death the taxpayer acquired
the right to receive the income or gain, or to a trust or estate from which
the taxpayer received the income or gain.
(v) The amount of any refund or credit for overpayment of taxes on
or measured by income or fees or payments in lieu of income taxes
imposed by this state, or any taxing jurisdiction, to the extent included in
gross income for federal income tax purposes.
(vi) Accumulation distributions received by a taxpayer as a
beneficiary of a trust to the extent that the same are included in federal
adjusted gross income.
(vii) Amounts received as annuities under the federal civil service
retirement system from the civil service retirement and disability fund and
other amounts received as retirement benefits in whatever form which
were earned for being employed by the federal government or for service
in the armed forces of the United States.
(viii) Amounts received by retired railroad employees as a
supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and
228c (a)(1) et seq.
(ix) Amounts received by retired employees of a city and by retired employees of any board of such city as retirement allowances pursuant to K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter ordinance exempting a city from the provisions of K.S.A. 13-14,106, and amendments thereto.

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

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

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

(xiii) For taxable years beginning after December 31, 2004, amounts contributed to and the amount of income earned on contributions deposited to an individual development account under K.S.A. 2016 Supp. 74-50,201 et seq., and amendments thereto.

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

(xv) For all taxable years beginning after December 31, 2006, amounts not exceeding $3,000, or $6,000 for a married couple filing a joint return, for each designated beneficiary which are contributed to a family postsecondary education savings account established under the Kansas postsecondary education savings program or a qualified tuition program established and maintained by another state or agency or instrumentality thereof pursuant to section 529 of the internal revenue code of 1986, as amended, for the purpose of paying the qualified higher education expenses of a designated beneficiary at an institution of postsecondary education. The terms and phrases used in this paragraph
shall have the meaning respectively ascribed thereto by the provisions of
K.S.A. 2016 Supp. 75-643, and amendments thereto, and the provisions of
such section are hereby incorporated by reference for all purposes thereof.

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

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

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

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

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

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

(xxii) For all taxable years beginning after December 31, 2012, the
amount of net gain from the sale of: (1) Cattle and horses, regardless of
age, held by the taxpayer for draft, breeding, dairy or sporting purposes,
and held by such taxpayer for 24 months or more from the date of
acquisition; and (2) other livestock, regardless of age, held by the taxpayer
for draft, breeding, dairy or sporting purposes, and held by such taxpayer
for 12 months or more from the date of acquisition. The subtraction from
federal adjusted gross income shall be limited to the amount of the
additions recognized under the provisions of subsection (b)(xix)
attributable to the business in which the livestock sold had been used. As
used in this paragraph, the term "livestock" shall not include poultry.

(xxiii) For all taxable years beginning after December 31, 2012,
amounts received under either the Overland Park, Kansas police
department retirement plan or the Overland Park, Kansas fire department
retirement plan, both as established by the city of Overland Park, pursuant
to the city's home rule authority.
(xxiv) For all taxable years beginning after December 31, 2013, the net gain from the sale from Christmas trees grown in Kansas and held by the taxpayer for six years or more.

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

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

Sec. 10. K.S.A. 2016 Supp. 79-32,119 is hereby amended to read as follows:

(a) The Kansas standard deduction of an individual, including a husband and wife who are either both residents or who file a joint return as if both were residents, shall be equal to the sum of the standard deduction amount allowed pursuant to this section, and the additional standard deduction amount allowed pursuant to this section for each such deduction allowable to such individual or to such husband and wife under the federal internal revenue code.

For tax year 1998 through tax year 2012, the standard deduction amount shall be as follows: Single individual filing status, $3,000; married filing status, $6,000; and head of household filing status, $4,500. For tax year 1998, and all tax years thereafter, the additional standard deduction amount shall be as follows: Single individual and head of household filing status, $850; and married filing status, $700. For tax year 2013, and all tax years thereafter For all tax years commencing after December 31, 2012, and ending before January 1, 2018, the standard deduction amount of an individual, including husband and wife who are either both residents or who file a joint return as if both were residents, shall be as follows: Single individual filing status, $3,000; married filing status, $7,500; and head of household filing status, $5,500. For purposes of the foregoing, the federal standard deduction allowable to a husband and wife filing separate Kansas income tax returns shall be determined on the basis that separate federal returns were filed, and the federal standard deduction of a husband and wife filing a joint Kansas income tax return shall be determined on the basis that a joint federal income tax return was filed.

(b) For all tax years commencing after January 1, 2018, the Kansas standard deduction shall be zero, regardless of filing status.

Sec. 11. K.S.A. 2016 Supp. 79-32,120 is hereby amended to read as follows:

(a) (1) For all tax years ending before January 1, 2018, if federal taxable income of an individual is determined by itemizing deductions from such individual's federal adjusted gross income, such
individual may elect to deduct the Kansas itemized deduction in lieu of the
Kansas standard deduction.

(2) For the tax year commencing on January 1, 2013, the Kansas
itemized deduction of an individual means 70% of the total amount of
deductions from federal adjusted gross income, other than federal
deductions for personal exemptions, as provided in the federal internal
revenue code with the modifications specified in this section.

(3) For the tax year commencing on January 1, 2014, the Kansas
itemized deduction of an individual means 65% of the total amount of
deductions from federal adjusted gross income, other than federal
deductions for personal exemptions, as provided in the federal internal
revenue code with the modifications specified in this section.

(4) For the tax years commencing on and after January 1, 2015, and
ending before January 1, 2018, the Kansas itemized deduction of an
individual means the following deductions from federal adjusted gross
income, other than federal deductions for personal exemptions, as
provided in the federal internal revenue code with the modifications
specified in this section: (A) 100% of charitable contributions that qualify
as charitable contributions allowable as deductions in section 170 of the
federal internal revenue code; (B) 50% of the amount of qualified
residence interest as provided in section 163(h) of the federal internal
revenue code; and (C) 50% of the amount of taxes on real and personal
property as provided in section 164(a) of the federal internal revenue code.

(b) For all tax years ending before January 1, 2018, the total amount
of deductions from federal adjusted gross income shall be reduced by the
total amount of income taxes imposed by or paid to this state or any other
taxing jurisdiction to the extent that the same are deducted in determining
the federal itemized deductions and by the amount of all depreciation
deductions claimed for any real or tangible personal property upon which
the deduction allowed by K.S.A. 2016 Supp. 79-32,221, 79-32,227, 79-
amendments thereto, is or has been claimed.

Sec. 12. K.S.A. 2016 Supp. 79-32,121 is hereby amended to read as
follows: 79-32,121. For all tax years ending prior to January 1, 2018, an
individual shall be allowed a Kansas exemption of $2,250 for tax year
1998, and all tax years thereafter, for each exemption for which such
individual is entitled to a deduction for the taxable year for federal income
tax purposes. In addition to the exemptions authorized in the foregoing
provision, an individual filing a federal income tax return under the status
of head of household, as the same is defined by 26 U.S.C. § 2(b), shall be
allowed an additional Kansas exemption of $2,250 for tax year 1998.

Sec. 13. K.S.A. 2016 Supp. 79-32,153 is hereby amended to read as
follows: 79-32,153. (a) For taxable years commencing after December 31,
1997, any taxpayer who shall invest in a qualified business facility, as defined in subsection (b) of K.S.A. 79-32,154(b), and amendments thereto, and effective for tax years commencing after December 31, 2010, located in an area other than a metropolitan county as defined in either K.S.A. 2016 Supp. 74-50,114 or 74-50,211, and amendments thereto, shall be allowed a credit for such investment, in an amount determined under subsection (b) against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated for the taxable year during which commencement of commercial operations, as defined in subsection (f) of K.S.A. 79-32,154(f), and amendments thereto, occurs at such qualified business facility, and for each of the nine succeeding taxable years. No credit shall be allowed under this section unless the number of qualified business facility employees, as determined under subsection (d) of K.S.A. 79-32,154(d), and amendments thereto, engaged or maintained in employment at the qualified business facility as a direct result of the investment by the taxpayer for the taxable year for which the credit is claimed equals or exceeds two. Where an employee performs services for the taxpayer outside the qualified business facility, the employee shall be considered engaged or maintained in employment at the qualified business facility if: (1) The employee's service performed outside the qualified business facility is incidental to the employee's service inside the qualified business facility; or (2) the base of operations or, the place from which the service is directed or controlled, is at the qualified business facility.

(b) The credit allowed by subsection (a) for any taxpayer who invests in a qualified business facility shall be a portion of the tax, but not in excess of 50% of such tax, otherwise imposed on or measured by the taxpayer's qualified business facility income, as defined in subsection (g) of K.S.A. 79-32,154(g), and amendments thereto, for the taxable year for which such credit is allowed. Such portion shall be an amount equal to the sum of the following:

(1) One hundred dollars for each qualified business facility employee determined under K.S.A. 79-32,154, and amendments thereto; plus

(2) one hundred dollars for each $100,000, or major fraction thereof (which shall be deemed to be 51% or more), in qualified business facility investment as determined under K.S.A. 79-32,154, and amendments thereto.

(c) For tax years commencing after December 31, 2005, any taxpayer claiming credits pursuant to this section, as a condition for claiming and qualifying for such credits, shall provide information pursuant to K.S.A. 2016 Supp. 79-32,243, and amendments thereto, as part of the tax return in
which such credits are claimed. Such credits shall not be denied solely on
the basis of the contents of the information provided by the taxpayer
pursuant to K.S.A. 2016 Supp. 79-32,243, and amendments thereto.

(d) No credit shall be allowed under this section for investment in a
public utility, as such term is defined in K.S.A. 66-104, and amendments
thereto.

(e) For tax year 2018, and all tax years thereafter, the credit allowed
by this section shall only be available to taxpayers subject to the income
tax on corporations imposed pursuant to K.S.A. 79-32,110(c), and
amendments thereto, the premium tax or privilege fee imposed pursuant to
K.S.A. 40-252, and amendments thereto, or the privilege tax imposed upon
any national banking association, state bank, savings bank, trust company
or savings and loan association pursuant to article 11 of chapter 79 of the
Kansas Statutes Annotated, and amendments thereto, and used only to
determine such taxpayer's corporate income, premium tax or privilege tax
liability.

Sec. 14. K.S.A. 2016 Supp. 79-32,160a is hereby amended to read as
follows: 79-32,160a. (a) For taxable years commencing after December
31, 1999, and before January 1, 2012, any taxpayer who shall invest in a
qualified business facility, as defined in subsection (b) of K.S.A. 79-
32,154(b), and amendments thereto, and effective for tax years
commencing after December 31, 2010, and before January 1, 2012,
located in an area other than a metropolitan county as defined in either
K.S.A. 2016 Supp. 74-50,114 or 74-50,211, and amendments thereto, and
also meets the definition of a business in subsection (b) of K.S.A. 74-
50,114(b), and amendments thereto, shall be allowed a credit for such
investment, in an amount determined under subsection (b) or (c), as the
case requires, against the tax imposed by the Kansas income tax act or
where the qualified business facility is the principal place from which the
trade or business of the taxpayer is directed or managed and the facility
has facilitated the creation of at least 20 new full-time positions, against
the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and
amendments thereto, or as measured by the net income of financial
institutions imposed pursuant to article 11 of chapter 79 of the Kansas
Statutes Annotated, and amendments thereto, for the taxable year during
which commencement of commercial operations, as defined in subsection
(f) of K.S.A. 79-32,154(f), and amendments thereto, occurs at such
qualified business facility. In the case of a taxpayer who meets the
definition of a manufacturing business in subsection (d) of K.S.A. 74-
50,114(d), and amendments thereto, no credit shall be allowed under this
section unless the number of qualified business facility employees, as
determined under subsection (d) of K.S.A. 79-32,154(d), and amendments
thereto, engaged or maintained in employment at the qualified business
facility as a direct result of the investment by the taxpayer for the taxable year for which the credit is claimed equals or exceeds two. In the case of a taxpayer who meets the definition of a nonmanufacturing business in subsection (f) of K.S.A. 74-50,114(f), and amendments thereto, no credit shall be allowed under this section unless the number of qualified business facility employees, as determined under subsection (d) of K.S.A. 79-32,154(d), and amendments thereto, engaged or maintained in employment at the qualified business facility as a direct result of the investment by the taxpayer for the taxable year for which the credit is claimed equals or exceeds five. Where an employee performs services for the taxpayer outside the qualified business facility, the employee shall be considered engaged or maintained in employment at the qualified business facility if:

(1) The employee's service performed outside the qualified business facility is incidental to the employee's service inside the qualified business facility; or (2) the base of operations or, the place from which the service is directed or controlled, is at the qualified business facility.

(b) The credit allowed by subsection (a) for any taxpayer who invests in a qualified business facility which is located in a designated nonmetropolitan region established under K.S.A. 74-50,116, and amendments thereto, on or after the effective date of this act, shall be a portion of the income tax imposed by the Kansas income tax act on the taxpayer's Kansas taxable income, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by the net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, for the taxable year for which such credit is allowed, but in the case where the qualified business facility investment was made prior to January 1, 1996, not in excess of 50% of such tax. Such portion shall be an amount equal to the sum of the following:

(1) Two thousand five hundred dollars for each qualified business facility employee determined under K.S.A. 79-32,154, and amendments thereto; plus

(2) one thousand dollars for each $100,000, or major fraction thereof, which shall be deemed to be 51% or more, in qualified business facility investment, as determined under K.S.A. 79-32,154, and amendments thereto.

(c) The credit allowed by subsection (a) for any taxpayer who invests in a qualified business facility, which is not located in a nonmetropolitan region established under K.S.A. 74-50,116, and amendments thereto, and effective for tax years commencing after December 31, 2010, and before January 1, 2012, located in an area other than a metropolitan county as defined in either K.S.A. 2016 Supp. 74-50,114 or 74-50,211, and
amendments thereto, and which also meets the definition of business in subsection (b) of K.S.A. 74-50,114(b), and amendments thereto, on or after the effective date of this act, shall be a portion of the income tax imposed by the Kansas income tax act on the taxpayer's Kansas taxable income, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by the net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, for the taxable year for which such credit is allowed, but in the case where the qualified business facility investment was made prior to January 1, 1996, not in excess of 50% of such tax. Such portion shall be an amount equal to the sum of the following:

(1) One thousand five hundred dollars for each qualified business facility employee as determined under K.S.A. 79-32,154, and amendments thereto; and

(2) one thousand dollars for each $100,000, or major fraction thereof, which shall be deemed to be 51% or more, in qualified business facility investment as determined under K.S.A. 79-32,154, and amendments thereto.

(d) The credit allowed by subsection (a) for each qualified business facility employee and for qualified business facility investment shall be a one-time credit. If the amount of the credit allowed under subsection (a) exceeds the tax imposed by the Kansas income tax act on the taxpayer's Kansas taxable income, the premium tax and privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by the net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, for the taxable year, or in the case where the qualified business facility investment was made prior to January 1, 1996, 50% of such tax imposed upon the amount which exceeds such tax liability or such portion thereof may be carried over for credit in the same manner in the succeeding taxable years until the total amount of such credit is used. Except that, before the credit is allowed, a taxpayer, who meets the definition of a manufacturing business in subsection (d) of K.S.A. 74-50,114(d), and amendments thereto, shall recertify annually that the net increase of a minimum of two qualified business facility employees has continued to be maintained and a taxpayer, who meets the definition of a nonmanufacturing business in subsection (f) of K.S.A. 74-50,114(f), and amendments thereto, shall recertify annually that the net increase of a minimum of five qualified business employees has continued to be maintained.

(e) (1) Notwithstanding the foregoing provisions of this section, and except as otherwise provided in this subsection, any taxpayer qualified and
HB 2434

certified under the provisions of K.S.A. 74-50,131, and amendments thereto; which, prior to making a commitment to invest in a qualified Kansas business, has filed a certificate of intent to invest in a qualified business facility in a form satisfactory to the secretary of commerce; and that has received written approval from the secretary of commerce for participation and has participated, during the tax year for which the exemption is claimed, in the Kansas industrial training, Kansas industrial retraining or the state of Kansas investments in lifelong learning program or is eligible for the tax credit established in K.S.A. 74-50,132, and amendments thereto, shall be entitled to a credit in an amount equal to 10% of that portion of the qualified business facility investment which exceeds $50,000 in lieu of the credit provided in subsection (b)(2) or (c)(2) without regard to the number of qualified business facility employees engaged or maintained in employment at the qualified business facility. For tax years beginning on or after January 1, 2012, for a qualified business facility in Douglas, Johnson, Sedgwick, Shawnee or Wyandotte counties, such credit shall be in an amount equal to 10% of that portion of the qualified business facility investment which exceeds $1,000,000. Any taxpayer who has filed a certificate of intent to invest in a qualified business facility pursuant to this subsection in Douglas, Johnson, Sedgwick, Shawnee or Wyandotte county prior to December 31, 2011, and commences investments in a qualified business facility prior to December 31, 2013, may claim credits under K.S.A. 74-50,131, 74-50,132 and subsection (e) of 79-32,160a(e), and amendments thereto, in an amount equal to 10% of that portion of the qualified business facility investment which exceeds $50,000. Timing modifications may be authorized at the discretion of the secretary of commerce and the secretary of revenue during the transition period. The credit allowed by this subsection shall be a one-time credit. If the amount thereof exceeds the tax imposed by the Kansas income tax act on the taxpayer's Kansas taxable income or the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, for the taxable year, the amount thereof which exceeds such tax liability may be carried forward for credit in the succeeding taxable year or years until the total amount of the tax credit is used, except that no such tax credit shall be carried forward for deduction after the 16th taxable year succeeding the taxable year in which such credit initially was claimed, and no carryforward shall be allowed for deduction in any succeeding taxable year unless the taxpayer certifies under oath that the taxpayer continues to meet the requirements of K.S.A. 74-50,131, and amendments thereto, and this act. In no event shall any credit allowed under this section that expired
during any taxable year prior to the taxable year commencing January 1, 2011, be revived under the provisions of this act.

(2) (A) For tax year 2018, and all tax years thereafter, the credit allowed by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to K.S.A. 79-32,110(c), and amendments thereto, the premium tax or privilege fee imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax imposed upon any national banking association, state bank, savings bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and used only to determine such taxpayer’s corporate income, premium tax or privilege tax liability.

(B) Any credit earned pursuant to the provisions of this section prior to tax year 2018, may be carried forward to succeeding tax years as provided in subsection (e).

(f) For tax years commencing after December 31, 2005, any taxpayer claiming credits pursuant to this section, as a condition for claiming and qualifying for such credits, shall provide information pursuant to K.S.A. 2016 Supp. 79-32,243, and amendments thereto, as part of the tax return in which such credits are claimed. Such credits shall not be denied solely on the basis of the contents of the information provided by the taxpayer pursuant to K.S.A. 2016 Supp. 79-32,243, and amendments thereto.

(g) This section and K.S.A. 79-32,160b, and amendments thereto, shall be part of and supplemental to the job expansion and investment credit act of 1976, and amendments thereto.

Sec. 15. K.S.A. 2016 Supp. 79-32,196 is hereby amended to read as follows: 79-32,196. (a) For taxable years commencing after December 31, 1997, any business firm which contributes to a community service organization or governmental entity which engages in the activities of providing community services, shall be allowed a credit, as provided in K.S.A. 79-32,197, and amendments thereto, against the tax imposed by the Kansas income tax act, the tax on net income of national banking associations, state banks, trust companies or savings and loan associations imposed under article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, or the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, if the proposal of the provider of community services is approved pursuant to K.S.A. 79-32,198, and amendments thereto. Any business firm which makes such a contribution after the effective date of this act and prior to July 1, 1998, shall be allowed a credit in accordance with this act, as if the contribution had been made in calendar year 1997, for the firm's tax liability for taxable years commencing after December 31, 1996. Notwithstanding any other provisions of this section, no business firm shall claim more than one
credit for the same contribution.

(b) For tax year 2018, and all tax years thereafter, the credit allowed by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to K.S.A. 79-32,110(c), and amendments thereto, the premium tax or privilege fee imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax imposed upon any national banking association, state bank, savings bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and used only to determine such taxpayer's corporate income, premium tax or privilege tax liability.

Sec. 16. K.S.A. 2016 Supp. 79-32,202a is hereby amended to read as follows: 79-32,202a. (a) Commencing in tax year 2014, and all tax years thereafter for tax years commencing after December 31, 2013, and ending before January 1, 2018, and in addition to the credit provided in subsection (b), there shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to: (1) 25% of the amount of the credit allowed against such taxpayer's federal income tax liability pursuant to section 23 of the federal internal revenue code determined without regard to subsection (c) of such section; (2) in addition to subsection (a)(1), 25% of the amount of such federal income tax credit, if the child adopted by the taxpayer was a resident of Kansas prior to such lawful adoption; and (3) in addition to subsections (a)(1) and (a)(2), 25% of the amount of such federal income tax credit, if the child adopted by the taxpayer is a child with special needs, as defined in section 23 of the federal internal revenue code, and the child was a resident of Kansas prior to such lawful adoption, for the taxable year in which such credit was claimed against the taxpayer's federal income tax liability.

(b) Commencing in tax year 2014, and all tax years thereafter for tax years commencing after December 31, 2013, and ending before January 1, 2018, there shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to $1,500 for the taxable year in which occurs the lawful adoption of a child in the custody of the secretary for children and families or a child with special needs, whether or not such individual is reimbursed for all or part of qualified adoption expenses or has received a public or private grant therefor. As used in this subsection, terms and phrases shall have the meanings ascribed thereto by the provisions of section 23 of the federal internal revenue code.

(c) The credit allowed by subsections (a) and (b) shall not exceed the amount of the tax imposed by K.S.A. 79-32,110, and amendments thereto, reduced by the sum of any other credits allowable pursuant to law. If the
amount of such tax credit exceeds the taxpayer's income tax liability for such taxable year, the amount thereof which exceeds such tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credits has been deducted from tax liability.

(d) Any credit earned pursuant to this section prior to tax year 2018, may be carried forward to succeeding tax years as provided in subsection (c).

Sec. 17. K.S.A. 2016 Supp. 79-32,205 is hereby amended to read as follows: 79-32,205. (a) For all tax years ending before January 1, 2018, there shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to 18% for tax years 2010 through 2012, and an amount equal to 17% for tax year 2013, and all tax years thereafter, 17% of the amount of the earned income credit allowed against such taxpayer's federal income tax liability pursuant to section 32 of the federal internal revenue code for the taxable year in which such credit was claimed against the taxpayer's federal income tax liability.

(b) If the amount of the credit allowed by subsection (a) exceeds the taxpayer's income tax liability imposed under the Kansas income tax act, such excess amount shall be refunded to the taxpayer.

Sec. 18. K.S.A. 2016 Supp. 79-32,211 is hereby amended to read as follows: 79-32,211. (a) For all taxable years commencing after December 31, 2006, there shall be allowed a tax credit against the income, privilege or premium tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, or the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto, in an amount equal to 25% of qualified expenditures incurred in the restoration and preservation of a qualified historic structure pursuant to a qualified rehabilitation plan by a qualified taxpayer if the total amount of such expenditures equal $5,000 or more; or in an amount equal to 30% of qualified expenditures incurred in the restoration and preservation of a qualified historic structure which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code and which is not income producing pursuant to a qualified rehabilitation plan by a qualified taxpayer if the total amount of such expenditures equals $5,000 or more. In no event shall the total amount of credits allowed under this section exceed $3,750,000 for fiscal year 2010. If the amount of such tax credit exceeds the qualified taxpayer's income, privilege or premium tax liability for the year in which the qualified rehabilitation plan was
placed in service, as defined by section 47(b)(1) of the federal internal
revenue code and federal regulation section 1.48-12(f)(2), such excess
amount may be carried over for deduction from such taxpayer's income,
privilege or premium tax liability in the next succeeding year or years until
the total amount of the credit has been deducted from tax liability, except
that no such credit shall be carried over for deduction after the 10th taxable
year succeeding the taxable year in which the qualified rehabilitation plan
was placed in service.

(b) As used in this section, unless the context clearly indicates
otherwise:

(1) "Qualified expenditures" means the costs and expenses incurred
by a qualified taxpayer in the restoration and preservation of a qualified
historic structure pursuant to a qualified rehabilitation plan which are
defined as a qualified rehabilitation expenditure by section 47(c)(2) of the
federal internal revenue code;

(2) "qualified historic structure" means any building, whether or not
income producing, which is defined as a certified historic structure by
section 47(c)(3) of the federal internal revenue code, is individually listed
on the register of Kansas historic places, or is located and contributes to a
district listed on the register of Kansas historic places;

(3) "qualified rehabilitation plan" means a project which is approved
by the cultural resources division of the state historical society, or by a
local government certified by the division to so approve, as being
consistent with the standards for rehabilitation and guidelines for
rehabilitation of historic buildings as adopted by the federal secretary of
interior and in effect on the effective date of this act. The society shall
adopt rules and regulations providing application and approval procedures
necessary to effectively and efficiently provide compliance with this act,
and may collect fees in order to defray its approval costs in accordance
with rules and regulations adopted therefor; and

(4) "qualified taxpayer" means the owner of the qualified historic
structure or any other person who may qualify for the federal rehabilitation
credit allowed by section 47 of the federal internal revenue code.

If the taxpayer is a corporation having an election in effect under
subchapter S of the federal internal revenue code, a partnership or a
limited liability company, the credit provided by this section shall be
claimed by the shareholders of such corporation, the partners of such
partnership or the members of such limited liability company in the same
manner as such shareholders, partners or members account for their
proportionate shares of the income or loss of the corporation, partnership
or limited liability company, or as the corporation, partnership or limited
liability company mutually agree as provided in the bylaws or other
executed agreement. Credits granted to a partnership, a limited liability
company taxed as a partnership or other multiple owners of property shall
be passed through to the partners, members or owners respectively pro rata
or pursuant to an executed agreement among the partners, members or
owners documenting any alternate distribution method.

(c) Any person, hereinafter designated the assignor, may sell, assign,
convey or otherwise transfer tax credits allowed and earned pursuant to
subsection (a). The taxpayer acquiring credits, hereinafter designated the
assignee, may use the amount of the acquired credits to offset up to 100%
of its income, privilege or premiums tax liability for either the taxable year
in which the qualified rehabilitation plan was first placed into service or
the taxable year in which such acquisition was made. Unused credit
amounts claimed by the assignee may be carried forward for up to five
years, except that all such amounts shall be claimed within 10 years
following the tax year in which the qualified rehabilitation plan was first
placed into service. The assignor shall enter into a written agreement with
the assignee establishing the terms and conditions of the agreement and
shall perfect such transfer by notifying the cultural resources division of
the state historical society in writing within 90 calendar days following the
effective date of the transfer and shall provide any information as may be
required by such division to administer and carry out the provisions of this
section. The amount received by the assignor of such tax credit shall be
taxable as income of the assignor, and the excess of the value of such
credit over the amount paid by the assignee for such credit shall be taxable
as income of the assignee.

(d) (1) For tax year 2018, and all tax years thereafter, the credit
allowed by this section shall only be available to taxpayers subject to the
income tax on corporations imposed pursuant to K.S.A. 79-32,110(c), and
amendments thereto, the premium tax or privilege fee imposed pursuant to
K.S.A. 40-252, and amendments thereto, or the privilege tax imposed upon
any national banking association, state bank, savings bank, trust company
or savings and loan association pursuant to article 11 of chapter 79 of the
Kansas Statutes Annotated, and amendments thereto, and used only to
determine such taxpayer's corporate income, premium tax or privilege tax
liability.

(2) Any credit earned pursuant to this section prior to tax year 2018,
may be carried forward to succeeding tax years as provided in subsection
(a).

Sec. 19. K.S.A. 2016 Supp. 79-32,258 is hereby amended to read as
follows: 79-32,258. (a) Except as otherwise provided, for all taxable years
commencing after December 31, 2006, a credit against the tax imposed by
the Kansas income tax act shall be allowed for direct production
expenditures made by an eligible film production company, except that
such provisions shall not be applicable for tax years 2009 and 2010. Such
credit shall be in an amount equal to 30% of direct production expenditures made in Kansas that are directly attributable to the production of a film in Kansas and that have been awarded by the department of revenue. The tax credit shall be deducted from the eligible film production company's income tax liability for the taxable year in which the expenditures are made by the eligible film production company. If the amount of the film production tax credit allowed exceeds the film production company's income tax liability for the taxable year, the taxpayer may carry over the amount thereof that exceeds such tax liability for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the third taxable year succeeding the year in which the costs are incurred. If the eligible film production company is a corporation having an election in effect under subchapter S of the federal internal revenue code, a partnership or a limited liability entity, the credit provided by this section shall be claimed by the shareholders of such corporation, the partners of such partnership or the member of such limited liability entity in the same manner as such shareholder, partners or members account for their proportionate shares of the income or loss of the corporation, partnership or limited liability entity.

(b) A long-form narrative film production for which the film production tax credit is claimed shall contain an acknowledgment that the production was filmed in Kansas.

(c) To be eligible for the film production tax credit, a film production company shall submit to the department of commerce information required by the department to demonstrate conformity with the requirements of this act. Information supplied shall include expected direct production expenditures to be made in Kansas with respect to the film production for which the film production company is seeking the film production tax credit. The department of commerce may reserve a tax credit amount based upon the expected direct production expenditures. The department of commerce shall determine the eligibility of the company and shall certify this information to the department of revenue in a manner and at times the department of commerce and department of revenue shall agree upon.

(d) To receive a film production tax credit, a film production company shall apply to the department of revenue on forms and in the manner the department may prescribe. The application shall include a certification of the amount of direct production expenditures made in Kansas with respect to the film production for which the film production company is seeking the film production tax credit. The department of revenue may award a film production tax credit based on the application
submitted and the amount of tax credit reserved by the department of commerce. Upon approval of the application and the awarding of the tax credit the department of revenue shall certify to the film production company and the department of commerce the amount of the tax credit awarded.

(e) The secretary of commerce and the secretary of revenue are hereby authorized to adopt rules and regulations to implement and administer the provisions of this act.

(f) (1) For tax year 2018, and all tax years thereafter, the income tax credit provided by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to K.S.A. 79-32,110(c), and amendments thereto, and shall be applied only against such taxpayer's corporate income tax liability.

(2) Any credit earned pursuant to this section prior to tax year 2018, may be carried forward to succeeding tax years as provided in subsection (a).

Sec. 20. K.S.A. 2016 Supp. 79-32,266 is hereby amended to read as follows: 79-32,266. (a) For taxable years commencing after December 31, 2010, and ending before January 1, 2018, there shall be allowed as a credit against the tax liability of a resident individual taxpayer an amount equal to 95% of the resident individual's income tax liability under the provisions of the Kansas income tax act for Kansas source income received from a qualified company that is business income attributable to business activities conducted at the business facility, office, department or other operation relocated to Kansas when the taxpayer owns such qualified company and materially participates in such business activities conducted at such relocated business facility, office, department or other operation of such qualified company which qualified for benefits under the provisions of subsection (a)(1) of K.S.A. 74-50,212(a)(1), and amendments thereto. A taxpayer shall be treated as materially participating in such qualified company's business activities conducted at such business facility, office, department or other operation relocated to Kansas only if the taxpayer is involved in such business activities of such qualified company on a basis which is regular, continuous and substantial. A taxpayer may claim the credit authorized by this section during any tax year in which the qualified company owned by the taxpayer qualifies for benefits under provisions of K.S.A. 74-50,212, and amendments thereto.

(b) Business income attributable to the business activities conducted at the business facility, office, department or other operation relocated to Kansas of a qualified company which qualified for benefits under the provisions of subsection (a)(1) of K.S.A. 74-50,212(a)(1), and amendments thereto, shall be determined by multiplying the business income of the company apportioned to this state by a fraction, the
numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three. For purposes of this subsection, the property factor is a fraction, the numerator of which is the average value of the company's real and tangible personal property owned or rented and used during the tax period at such relocated facility, office, department or other relocated operation in Kansas, and the denominator of which is the average value of the company's real and tangible personal property owned or rented and used within this state during the tax period. The payroll factor is a fraction, the numerator of which is the total amount paid during the tax period by the company for compensation at such relocated facility, office, department or other relocated operation in Kansas, and the denominator of which is the total compensation paid by the company in this state during the tax period. The sales factor is a fraction, the numerator of which is the total sales of the relocated facility, office, department or other relocated operation in this state during the tax period, and the denominator of which is the total sales of the company in this state during the tax period.

(c) This credit shall not be available to any taxpayer making a modification under (b)(xix) or (c)(xx) of K.S.A. 79-32,117(b)(xix) or (c)(xx), and amendments thereto.

(d) The secretary of revenue shall adopt rules and regulations regarding the filing of documents that support the qualifications of the taxpayer for the credit claimed pursuant to this section.

Sec. 21. K.S.A. 2016 Supp. 79-32,267 is hereby amended to read as follows: 79-32,267. (a) For taxable years commencing after December 31, 2011, and before January 1, 2018, there shall be allowed as a credit against the tax liability of a resident individual taxpayer an amount equal to the resident individual's income tax liability under the provisions of the Kansas income tax act, when the resident individual:

(1) Establishes domicile in a rural opportunity zone on or after July 1, 2011, and prior to January 1, 2021, and was domiciled outside this state for five or more years immediately prior to establishing their domicile in a rural opportunity zone in this state;

(2) had Kansas source income less than $10,000 in any one year for five or more years immediately prior to establishing their domicile in a rural opportunity zone in this state; and

(3) was domiciled in a rural opportunity zone during the entire taxable year for which such credit is claimed.

(b) A resident individual may claim the credit authorized by this section for not more than five consecutive years following establishment of their domicile in a rural opportunity zone.

(c) The maximum amount of any refund under this section shall be equal to the amount withheld from the resident individual's wages or
payments other than wages pursuant to K.S.A. 79-3294 et seq., and amendments thereto, or paid by the resident individual as estimated taxes pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.

(d) No credit shall be allowed under this section if:

(1) The resident individual's income tax return on which the credit is claimed is not timely filed, including any extension; or

(2) the resident individual is delinquent in filing any return with, or paying any tax due to, the state of Kansas or any political subdivision thereof.

(e) This section shall be part of and supplemental to the Kansas income tax act.

Sec. 22. K.S.A. 2016 Supp. 79-32,271 is hereby amended to read as follows: 79-32,271. (a) For any all taxable year years commencing after December 31, 2014, and ending prior to January 1, 2018, a credit shall be allowed against the tax imposed by the Kansas income tax act on the Kansas taxable income of an individual income taxpayer who purchased food in this state, had federal adjusted gross income for the tax year that did not exceed $30,615, and meets the qualifications in subsections (b) and (c).

(b) During the entire tax year a taxpayer filing single, head of household, or married filing separate, or the taxpayer and the taxpayer's spouse if married filing jointly, must be domiciled in this state. For purposes of this credit, "domicile" shall not include any correctional facility, or portion thereof, as defined in K.S.A. 75-5202, and amendments thereto, any juvenile correctional facility, or portion thereof, as defined in K.S.A. 38-2302, and amendments thereto, any correctional facility of the federal bureau of prisons located in the state of Kansas, or any city or county jail facility in the state of Kansas.

(c) During the entire tax year a taxpayer filing single, head of household, or married filing separate, or the taxpayer or the taxpayer's spouse if married filing jointly, must be either: (1) A person having a disability, regardless of age; (2) a person without a disability who is 55 years of age or older; or (3) a person without a disability who is younger than 55 years of age who claims an exemption for one or more dependent children under 18 years of age.

(d) The amount of the credit shall be $125 for every exemption claimed on the taxpayer's federal income tax return, except that no exemption shall be counted for a dependent unless the dependent is a child under 18 years of age.

(e) The credit allowed under this provision shall be applied against the taxpayer's income tax liability after all other credits allowed under the income tax act. It shall not be refundable and may not be carried forward.

(f) (1) Every taxpayer claiming the credit shall supply the division in
support of a claim, reasonable proof of domicile, age and disability.

(2) A claim alleging disability shall be supported by a report of the
examining physician of the claimant with a statement or certificate that the
applicant has a disability as defined in subsection (g).

(g) "Disability" means: (1) Inability to engage in any substantial
gainful activity by reason of any medically determinable physical or
mental impairment which can be expected to result in death or has lasted
or can be expected to last for a continuous period of not less than 12
months, and an individual shall be determined to be under a disability only
if the physical or mental impairment or impairments are of such severity
that the individual is not only unable to do the individual's previous work
but cannot, considering age, education and work experience, engage in any
other kind of substantial gainful work which exists in the national
economy, regardless of whether such work exists in the immediate area in
which the individual lives or whether a specific job vacancy exists for the
individual, or whether the individual would be hired if application was
made for work. For purposes of this paragraph, with respect to any
individual, "work which exists in the national economy" means work
which exists in significant numbers either in the region where the
individual lives or in several regions of the country; and "physical or
mental impairment" means an impairment that results from anatomical,
physiological or psychological abnormalities which are demonstrable by
medically acceptable clinical and laboratory diagnostic techniques; or

(2) blindness and inability by reason of blindness to engage in
substantial gainful activity requiring skills or abilities comparable to those
of any gainful activity in which the individual has previously engaged with
some regularity and over a substantial period of time. For purposes of this
paragraph, "blindness" means central visual acuity of $20/200$ or less in the
better eye with the use of a correcting lens. An eye which is accompanied
by a limitation in the fields of vision such that the widest diameter of the
visual field subtends an angle no greater than 20 degrees shall be
considered for the purpose of this paragraph as having a central visual
acuity of $20/200$ or less.

(h) The secretary of revenue is hereby authorized to adopt such rules
and regulations as may be necessary for the administration of the
provisions of this section.

Sec. 23. K.S.A. 2016 Supp. 74-50,132, 74-50,208, 74-8133, 74-
32,258, 79-32,266, 79-32,267, 79-32,269 and 79-32,271 are hereby
repealed.

Sec. 24. This act shall take effect and be in force from and after its
publication in the statute book.