

2023 Kansas Statutes

12-1,109. Same; exemptions. Gross earnings derived from the following shall be exempt from taxes levied by counties, cities and townships pursuant to this act:

(a) Notes secured by mortgages on real estate, which mortgages have been recorded in this state and the registration fee or tax thereon paid, as otherwise provided by law;

(b) all moneys, notes and other evidences of indebtedness held by the trustee of a qualified trust described in section 401, 408 or 501(c)(4), (5), (9), (17) or (18) of the internal revenue code of 1986, as amended (26 U.S.C. §§ 401, 408 or 501(c)(4), (5), (9), (17) or (18)) which is part of a stock bonus, pension or profit-sharing plan of an employer for the exclusive benefit of employees or their beneficiaries or health and welfare plan;

(c) (1) for the taxable year commencing after December 31, 1981, money, notes and other evidence of debt, to the extent of the tax liability hereinafter provided, which is owned by a person who has a disability or was 60 years of age or older on January 1 of the year in which an exemption is claimed hereunder. The exemption allowable under this subsection shall be in an amount equal to the lesser of the following: (A) The amount of the tax liability on the first \$3,000 of gross earnings from the money, notes and other evidence of debt; or (B) the amount of the tax liability on the first \$3,000 of gross earnings from such money, notes and other evidence of debt reduced by the amount that the owner's income exceeds \$12,500, including in such owner's income the income of such person's spouse, in the year next preceding that in which the exemption is claimed under this subsection. No person shall be eligible to claim an exemption hereunder in the same year in which such person's spouse has claimed an exemption hereunder. As used in this subsection, the terms "income" and "disability" shall have the meanings ascribed to them in K.S.A. 79-4502, and amendments thereto; and (2) for all taxable years commencing after December 31, 1982, money, notes and other evidences of debt, to the extent of the tax liability hereinafter provided, which is owned by a person who has a disability or was 60 years of age or older on January 1 of the year in which an exemption is claimed hereunder. The exemption allowable under this subsection shall be in an amount equal to the lesser of the following: (A) The amount of the tax liability on the first \$5,000 of gross earnings from the money, notes and other evidences of debt; or (B) the amount of the tax liability on the first \$5,000 of gross earnings from said money, notes and other evidences of debt reduced by the amount that the owner's income exceeds \$15,000, including in such owner's income the income of such person's spouse, in the year next preceding that in which the exemption is claimed under this subsection. No person shall be eligible to claim an exemption hereunder in the same year in which such person's spouse has claimed an exemption hereunder. As used in this subsection, the terms "income" and "disability" shall have the meanings ascribed to them in K.S.A. 79-4502, and amendments thereto;

(d) money, notes and other evidence of debt owned by any credit union, national banking association, state bank, trust company or federal or state-chartered savings and loan association;

(e) bonds or other evidence of indebtedness issued by the state, county, city, school district or other municipal or taxing subdivision of the state;

(f) except for distributions made from earnings or profits of any small business corporation, as defined by section 1371 of the internal revenue code as enacted in 1986 (26 U.S.C. § 1371), accumulated by that corporation prior to the time that it has made the election under section 1372 of the internal revenue code of 1986 (26 U.S.C. § 1372), all earnings or profit distributed by any such small business corporation having such an election in effect to a person who was a shareholder of such corporation at the time of the distribution;

(g) for all taxable years commencing after December 31, 1982, notes, other than notes described in subsection (a), to the extent that such earnings are a reimbursement of interest paid on another note the proceeds of which was the source of funds for the first note;

(h) money, notes and other evidence of debt belonging exclusively to a hospital, as

defined by K.S.A. 65-425, and amendments thereto, or a psychiatric hospital, as defined by K.S.A. 59-2902, as in effect on January 1, 1976, operated by a not-for-profit corporation, and used exclusively for hospital or psychiatric hospital purposes;

(i) money, notes and other evidence of debt belonging exclusively to an adult care home as defined by K.S.A. 39-923, and amendments thereto, operated by a not-for-profit corporation, and used exclusively for adult care home purposes;

(j) money, notes and other evidence of debt belonging exclusively to a private children's home as defined by K.S.A. 75-3329, and amendments thereto, operated by a not-for-profit corporation, and used exclusively for children's home purposes;

(k) money, notes and other evidence of debt belonging exclusively to a corporation organized not-for-profit which operates housing for elderly persons having a limited or low income, which property and the income therefrom is used exclusively for housing for such elderly persons;

(l) shares, shares of stock or other evidence of ownership of national banking associations, state banks and federal or state-chartered savings and loan associations located or doing business within the state and shares of stock or other evidence of ownership of corporations holding stock of a national banking association, state bank and federal or state-chartered savings and loan associations located or doing business in Kansas, to the extent the income of such corporation is attributable to dividends received on such stock; and

(m) shares of stock issued by a corporation classified as a regulated investment company under the provisions of the federal internal revenue code of 1986, as amended.

History: L. 1982, ch. 63, § 9; L. 1983, ch. 61, § 5; L. 1995, ch. 130, § 2; L. 1996, ch. 167, § 43; April 18.