

SENATE BILL No. 206

By Senators Holland and Francisco

2-8

1 AN ACT concerning abortion; enacting the medical
2 autonomy/accessibility and truth act; relating to the no taxpayer
3 funding for abortion act and the woman's-right-to-know act; removing
4 certain provisions thereof to allow for insurance coverage for abortions,
5 provide tax benefits for abortion-related services and remove inaccurate
6 statements regarding the risks of abortion; repealing the pain-capable
7 unborn child act; amending K.S.A. 40-2,103, 40-19c09, 40-2246, 65-
8 6709, 65-6733, 65-6734, 65-6737, 76-3308 and 79-32,195 and K.S.A.
9 2022 Supp. 79-32,117, 79-32,138, 79-32,182b and 79-32,261 and
10 repealing the existing sections; also repealing K.S.A. 40-2,190, 40-
11 2,191, 65-6722, 65-6723, 65-6724 and 65-6725.

12

13 WHEREAS, The provisions of this act shall be known and may be
14 cited as the medical autonomy/accessibility and truth act.

15 Now, therefore:

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

17 Section 1. K.S.A. 40-2,103 is hereby amended to read as follows: 40-
18 2,103. The requirements of K.S.A. 40-2,100, 40-2,101, 40-2,102, 40-
19 2,104, 40-2,105, 40-2,114, 40-2,160, 40-2,165 through 40-2,170, 40-2250,
20 K.S.A. 40-2,105a, 40-2,105b, 40-2,184, ~~40-2,190~~, 40-2,194 and 40-2,210
21 through 40-2,216, and amendments thereto, shall apply to all insurance
22 policies, subscriber contracts or certificates of insurance delivered,
23 renewed or issued for delivery within or outside of this state or used within
24 this state by or for an individual who resides or is employed in this state.

25 Sec. 2. K.S.A. 40-19c09 is hereby amended to read as follows: 40-
26 19c09. (a) Corporations organized under the nonprofit medical and
27 hospital service corporation act shall be subject to the provisions of the
28 Kansas general corporation code, articles 60 through 74 of chapter 17 of
29 the Kansas Statutes Annotated, and amendments thereto, applicable to
30 nonprofit corporations, to the provisions of K.S.A. 40-214, 40-215, 40-
31 216, 40-218, 40-219, 40-222, 40-223, 40-224, 40-225, 40-229, 40-230, 40-
32 231, 40-235, 40-236, 40-237, 40-247, 40-248, 40-249, 40-250, 40-251, 40-
33 252, 40-2,100, 40-2,101, 40-2,102, 40-2,103, 40-2,104, 40-2,105, 40-
34 2,116, 40-2,117, 40-2,125, 40-2,153, 40-2,154, 40-2,160, 40-2,161, 40-
35 2,163 through 40-2,170, 40-2a01 et seq., 40-2111 through 40-2116, 40-
36 2215 through 40-2220, 40-2221a, 40-2221b, 40-2229, 40-2230, 40-2250,

1 40-2251, 40-2253, 40-2254, 40-2401 through 40-2421, and 40-3301
2 through 40-3313 and K.S.A. 40-2,105a, 40-2,105b, 40-2,184, ~~40-2,190,~~
3 ~~40-2,194~~ and 40-2,210 through 40-2,216, and amendments thereto, except
4 as the context otherwise requires, and shall not be subject to any other
5 provisions of the insurance code except as expressly provided in this act.

6 (b) No policy, agreement, contract or certificate issued by a
7 corporation to which this section applies shall contain a provision which
8 excludes, limits or otherwise restricts coverage because medicaid benefits
9 as permitted by title XIX of the social security act of 1965 are or may be
10 available for the same accident or illness.

11 (c) Violation of subsection (b) shall be subject to the penalties
12 prescribed by K.S.A. 40-2407 and 40-2411, and amendments thereto.

13 Sec. 3. K.S.A. 40-2246 is hereby amended to read as follows: 40-
14 2246. (a) A credit against the taxes otherwise due under the Kansas income
15 tax act shall be allowed to an employer for amounts paid during the
16 taxable year for purposes of this act on behalf of an eligible employee as
17 defined in K.S.A. 40-2239, and amendments thereto, to provide health
18 insurance or care and amounts contributed to health savings accounts of
19 eligible covered employees, ~~except that for taxable years commencing~~
20 ~~after December 31, 2013, no credit shall be allowed pursuant to this~~
21 ~~section for that portion of any amounts paid by an employer for healthcare~~
22 ~~expenditures, a health benefit plan, as defined in K.S.A. 65-6731, and~~
23 ~~amendments thereto, or amounts contributed to health savings accounts for~~
24 ~~the purchase of an optional rider for coverage of abortion in accordance~~
25 ~~with K.S.A. 40-2,190, and amendments thereto.~~

26 (b) (1) For employers that have established a small employer health
27 benefit plan after December 31, 1999, but prior to January 1, 2005, the
28 amount of the credit allowed by subsection (a) shall be \$35 per month per
29 eligible covered employee or 50% of the total amount paid by the
30 employer during the taxable year, whichever is less, for the first two years
31 of participation. In the third year, the credit shall be equal to 75% of the
32 lesser of \$35 per month per employee or 50% of the total amount paid by
33 the employer during the taxable year. In the fourth year, the credit shall be
34 equal to 50% of the lesser of \$35 per month per employee or 50% of the
35 total amount paid by the employer during the taxable year. In the fifth year,
36 the credit shall be equal to 25% of the lesser of \$35 per month per
37 employee or 50% of the total amount paid by the employer during the
38 taxable year. For the sixth and subsequent years, no credit shall be
39 allowed.

40 (2) For employers that have established a small employer health
41 benefit plan or made contributions to a health savings account of an
42 eligible covered employee after December 31, 2004, the amount of credit
43 allowed by subsection (a) shall be \$70 per month per eligible covered

1 employee for the first 12 months of participation, \$50 per month per
2 eligible covered employee for the next 12 months of participation and \$35
3 per eligible covered employee for the next 12 months of participation.
4 After 36 months of participation, no credit shall be allowed.

5 (c) If the credit allowed by this section is claimed, the amount of any
6 deduction allowable under the Kansas income tax act for expenses
7 described in this section shall be reduced by the dollar amount of the
8 credit. The election to claim the credit shall be made at the time of filing
9 the tax return in accordance with law. If the credit allowed by this section
10 exceeds the taxes imposed under the Kansas income tax act for the taxable
11 year, that portion of the credit which exceeds those taxes shall be refunded
12 to the taxpayer.

13 (d) Any amount of expenses paid by an employer under this act shall
14 not be included as income to the employee for purposes of the Kansas
15 income tax act. If such expenses have been included in federal taxable
16 income of the employee, the amount included shall be subtracted in
17 arriving at state taxable income under the Kansas income tax act.

18 (e) The secretary of revenue shall promulgate rules and regulations to
19 carry out the provisions of this section.

20 (f) This section shall apply to all taxable years commencing after
21 December 31, 1999.

22 (g) For tax year 2013 and all tax years thereafter, the income tax
23 credit provided by this section shall only be available to taxpayers subject
24 to the income tax on corporations imposed pursuant to ~~subsection (e) of~~
25 K.S.A. 79-32,110(c), and amendments thereto, and shall be applied only
26 against such taxpayer's corporate income tax liability.

27 Sec. 4. K.S.A. 65-6709 is hereby amended to read as follows: 65-
28 6709. No abortion shall be performed or induced without the voluntary
29 and informed consent of the woman upon whom the abortion is to be
30 performed or induced. Except in the case of a medical emergency, consent
31 to an abortion is voluntary and informed only if:

32 (a) At least 24 hours before the abortion the physician who is to
33 perform the abortion or the referring physician has informed the woman in
34 writing, which shall be provided on white paper in a printed format in
35 black ink with 12-point times new roman font, of:

36 (1) The following information concerning the physician who will
37 perform the abortion;

38 (A) The name of such physician;

39 (B) the year in which such physician received a medical doctor's
40 degree;

41 (C) the date on which such physician's employment commenced at
42 the facility where the abortion is to be performed;

43 (D) whether any disciplinary action has been taken against such

1 physician by the state board of healing arts by marking either a box
2 indicating "yes" or a box indicating "no" and if the box indicating "yes" is
3 marked, then provide the website addresses to the board documentation for
4 each disciplinary action;

5 (E) whether such physician has malpractice insurance by marking
6 either a box indicating "yes" or a box indicating "no";

7 (F) whether such physician has clinical privileges at any hospital
8 located within 30 miles of the facility where the abortion is to be
9 performed by marking either a box indicating "yes" or a box indicating
10 "no" and if the box indicating "yes" is marked, then provide the name of
11 each such hospital and the date such privileges were issued;

12 (G) the name of any hospital where such physician has lost clinical
13 privileges; and

14 (H) whether such physician is a resident of this state by marking
15 either a box indicating "yes" or a box indicating "no";

16 (2) a description of the proposed abortion method;

17 ~~(3) a description of risks related to the proposed abortion method,~~
18 ~~including risk of premature birth in future pregnancies, risk of breast~~
19 ~~cancer and risks to the woman's reproductive health and alternatives to the~~
20 ~~abortion that a reasonable patient would consider material to the decision~~
21 ~~of whether or not to undergo the abortion;~~

22 (4)—the probable gestational age of the unborn child at the time the
23 abortion is to be performed and that Kansas law requires the following:
24 "No person shall perform or induce an abortion when the unborn child is
25 viable unless such person is a physician and has a documented referral
26 from another physician not financially associated with the physician
27 performing or inducing the abortion and both physicians determine that:
28 (1) The abortion is necessary to preserve the life of the pregnant woman;
29 or (2) a continuation of the pregnancy will cause a substantial and
30 irreversible physical impairment of a major bodily function of the pregnant
31 woman." If the child is born alive, the attending physician has the legal
32 obligation to take all reasonable steps necessary to maintain the life and
33 health of the child;

34 ~~(5)~~(4) the probable anatomical and physiological characteristics of the
35 unborn child at the time the abortion is to be performed;

36 ~~(6)~~(5) the contact information for counseling assistance for medically
37 challenging pregnancies, the contact information for perinatal hospice
38 services and a listing of websites for national perinatal assistance,
39 including information regarding which entities provide such services free
40 of charge;

41 ~~(7)~~(6) the medical risks associated with carrying an unborn child to
42 term; and

43 ~~(8)~~(7) any need for anti-Rh immune globulin therapy, if she is Rh

1 negative, the likely consequences of refusing such therapy and the cost of
2 the therapy.

3 (b) At least 24 hours before the abortion, the physician who is to
4 perform the abortion, the referring physician or a qualified person has
5 informed the woman in writing that:

6 (1) Medical assistance benefits may be available for prenatal care,
7 childbirth and neonatal care, and that more detailed information on the
8 availability of such assistance is contained in the printed materials given to
9 her and described in K.S.A. 65-6710, and amendments thereto;

10 (2) the informational materials in K.S.A. 65-6710, and amendments
11 thereto, are available in printed form and online, and describe the unborn
12 child, list agencies which offer alternatives to abortion with a special
13 section listing adoption services and list providers of free ultrasound
14 services;

15 (3) the father of the unborn child is liable to assist in the support of
16 her child, even in instances where he has offered to pay for the abortion
17 except that in the case of rape this information may be omitted;

18 (4) the woman is free to withhold or withdraw her consent to the
19 abortion at any time prior to invasion of the uterus without affecting her
20 right to future care or treatment and without the loss of any state or
21 federally-funded benefits to which she might otherwise be entitled;

22 (5) the abortion will terminate the life of a whole, separate, unique,
23 living human being; and

24 (6) by no later than 20 weeks from fertilization, the unborn child has
25 the physical structures necessary to experience pain. There is evidence that
26 by 20 weeks from fertilization unborn children seek to evade certain
27 stimuli in a manner that in an infant or an adult would be interpreted to be
28 a response to pain. Anesthesia is routinely administered to unborn children
29 who are 20 weeks from fertilization or older who undergo prenatal surgery.

30 (c) At least 30 minutes prior to the abortion procedure, prior to
31 physical preparation for the abortion and prior to the administration of
32 medication for the abortion, the woman shall meet privately with the
33 physician who is to perform the abortion and such person's staff to ensure
34 that she has an adequate opportunity to ask questions of and obtain
35 information from the physician concerning the abortion.

36 (d) At least 24 hours before the abortion, the woman is given a copy
37 of the informational materials described in K.S.A. 65-6710, and
38 amendments thereto. If the woman asks questions concerning any of the
39 information or materials, answers shall be provided to her in her own
40 language.

41 (e) The woman certifies in writing on a form provided by the
42 department, prior to the abortion, that the information required to be
43 provided under subsections (a), (b) and (d) has been provided and that she

1 has met with the physician who is to perform the abortion on an individual
2 basis as provided under subsection (c). All physicians who perform
3 abortions shall report the total number of certifications received monthly
4 to the department. The total number of certifications shall be reported by
5 the physician as part of the written report made by the physician to the
6 secretary of health and environment under K.S.A. 65-445, and
7 amendments thereto. The department shall make the number of
8 certifications received available on an annual basis.

9 (f) Prior to the performance of the abortion, the physician who is to
10 perform the abortion or the physician's agent receives a copy of the written
11 certification prescribed by subsection (e) of this section.

12 (g) The woman is not required to pay any amount for the abortion
13 procedure until the 24-hour waiting period has expired.

14 (h) A physician who will use ultrasound equipment preparatory to or
15 in the performance of the abortion, at least 30 minutes prior to the
16 performance of the abortion:

17 (1) Informs the woman that she has the right to view the ultrasound
18 image of her unborn child, at no additional expense to her;

19 (2) informs the woman that she has the right to receive a physical
20 picture of the ultrasound image, at no additional expense to her;

21 (3) offers the woman the opportunity to view the ultrasound image
22 and receive a physical picture of the ultrasound image;

23 (4) certifies in writing that the woman was offered the opportunity to
24 view the ultrasound image and receive a physical picture of the ultrasound
25 image at least 30 minutes prior to the performance of the abortion; and

26 (5) obtains the woman's signed acceptance or rejection of the
27 opportunity to view the ultrasound image and receive a physical picture of
28 the ultrasound image.

29 If the woman accepts the offer and requests to view the ultrasound
30 image, receive a physical picture of the ultrasound image or both, her
31 request shall be granted by the physician at no additional expense to the
32 woman. The physician's certification shall be time-stamped at the time the
33 opportunity to view the ultrasound image and receive a physical picture of
34 the ultrasound image was offered.

35 (i) A physician who will use heart monitor equipment preparatory to
36 or in the performance of the abortion, at least 30 minutes prior to the
37 performance of the abortion:

38 (1) Informs the woman that she has the right to listen to the heartbeat
39 of her unborn child, at no additional expense to her;

40 (2) offers the woman the opportunity to listen to the heartbeat of her
41 unborn child;

42 (3) certifies in writing that the woman was offered the opportunity to
43 listen to the heartbeat of her unborn child at least 30 minutes prior to the

1 performance of the abortion; and

2 (4) obtains the woman's signed acceptance or rejection of the
3 opportunity to listen to the heartbeat of her unborn child.

4 If the woman accepts the offer and requests to listen to the heartbeat of
5 her unborn child, her request shall be granted by the physician at no
6 additional expense to the woman. The physician's certification shall be
7 time-stamped at the time the opportunity to listen to the heartbeat of her
8 unborn child was offered.

9 (j) The physician's certification required by subsections (h) and (i)
10 together with the pregnant woman's signed acceptance or rejection of such
11 offer shall be placed in the woman's medical file in the physician's office
12 and kept for 10 years. However, in the case of a minor, the physician shall
13 keep a copy of the certification and the signed acceptance or rejection in
14 the minor's medical file for five years past the minor's majority, but in no
15 event less than 10 years.

16 (k) Any private office, freestanding surgical outpatient clinic or other
17 facility or clinic in which abortions are performed shall conspicuously post
18 a sign in a location so as to be clearly visible to patients. The sign required
19 pursuant to this subsection shall be printed with lettering that is legible and
20 shall be at least three quarters of an inch boldfaced type. The sign shall
21 include the address for the pregnancy resources website published and
22 maintained by the department of health and environment, and the
23 following text:

24 Notice: It is against the law for anyone, regardless of their relationship
25 to you, to force you to have an abortion. By law, we cannot perform an
26 abortion on you unless we have your freely given and voluntary consent. It
27 is against the law to perform an abortion on you against your will. You
28 have the right to contact any local or state law enforcement agency to
29 receive protection from any actual or threatened physical abuse or
30 violence. You have the right to change your mind at any time prior to the
31 actual abortion and request that the abortion procedure cease. It is
32 unlawful for anyone to make you have an abortion against your will, even
33 if you are a minor. The father of your child must provide support for the
34 child, even if he has offered to pay for an abortion. If you decide not to
35 have an abortion, you may qualify for financial help for pregnancy,
36 childbirth and newborn care. If you qualify, medicaid will pay or help pay
37 the cost of doctor, clinic, hospital and other related medical expenses,
38 including childbirth delivery services and care for your newborn baby.
39 Many agencies are willing to provide assistance so that you may carry
40 your child to term, and to assist you after your child's birth.

41 The provisions of this subsection shall not apply to any private office,
42 freestanding surgical outpatient clinic or other facility or clinic which
43 performs abortions only when necessary to prevent the death of the

1 pregnant woman.

2 (l) Any private office, freestanding surgical outpatient clinic or other
3 facility or clinic in which abortions are performed that has a website shall
4 publish an easily identifiable link on the homepage of such website that
5 directly links to the department of health and environment's website that
6 provides informed consent materials under the woman's-right-to-know act.
7 Such link shall read: "The Kansas Department of Health and Environment
8 maintains a website containing information about the development of the
9 unborn child, as well as video of sonogram images of the unborn child at
10 various stages of development. The Kansas Department of Health and
11 Environment's website can be reached by clicking here."

12 (m) For purposes of this section:

13 (1) The term "human being" means an individual living member of
14 the species of homo sapiens, including the unborn human being during the
15 entire embryonic and fetal ages from fertilization to full gestation.

16 (2) The term "medically challenging pregnancy" means a pregnancy
17 where the unborn child is diagnosed as having: (A) A severe anomaly; or
18 (B) an illness, disease or defect which is invariably fatal.

19 Sec. 5. K.S.A. 65-6733 is hereby amended to read as follows: 65-
20 6733. Except to the extent required by federal law:

21 ~~(a) —, no moneys appropriated from the state general fund or from any~~
22 ~~special revenue fund shall be expended for any abortion;~~

23 ~~(b) — no tax credit shall be allowed against any income tax, premium or~~
24 ~~privilege tax liability and no exemption shall be granted from sales or~~
25 ~~compensating use tax for that portion of such amounts paid or incurred for~~
26 ~~an abortion, or that portion of such amounts paid or incurred for a health~~
27 ~~benefit plan, including premium assistance, for the purchase of an optional~~
28 ~~rider for coverage of abortion in accordance with K.S.A. 40-2,190, and~~
29 ~~amendments thereto;~~

30 ~~(c) — in the case of any tax-preferred trust or account, the purpose of~~
31 ~~which is to pay medical expenses of the account beneficiary, any amount~~
32 ~~paid or distributed from such an account for an abortion shall be included~~
33 ~~in the gross income of such beneficiary; and~~

34 ~~(d) — no health care services provided by any state agency, or any~~
35 ~~employee of a state agency while acting within the scope of such~~
36 ~~employee's employment, shall include abortion, nor shall money~~
37 ~~appropriated from the state general fund or from any special revenue fund~~
38 ~~be used to pay for the lease or operation of any facility in which abortions~~
39 ~~are performed.~~

40 Sec. 6. K.S.A. 65-6734 is hereby amended to read as follows: 65-
41 6734. No school district, employee or agent thereof, or educational service
42 provider contracting with such school district shall provide abortion
43 services. ~~No school district shall permit any person or entity to offer,~~

1 ~~sponsor or otherwise furnish in any manner any course materials or~~
2 ~~instruction relating to human sexuality or sexually transmitted diseases if~~
3 ~~such person or entity is an abortion services provider, or an employee,~~
4 ~~agent or volunteer of an abortion services provider.~~

5 Sec. 7. K.S.A. 65-6737 is hereby amended to read as follows: 65-
6 6737. No state agency shall discriminate against any individual or
7 institutional health care entity on the basis ~~that of whether or not~~ such
8 health care entity ~~does not provide, pay for or refer provides, pays for or~~
9 ~~refers patients~~ for abortions.

10 Sec. 8. K.S.A. 76-3308 is hereby amended to read as follows: 76-
11 3308.(a) The authority shall have all the powers necessary to carry out the
12 purposes and provisions of this act, including, without limitation, the
13 following powers to:

14 (1) Have the duties, privileges, immunities, rights, liabilities and
15 disabilities of a body corporate and a political instrumentality of the state;

16 (2) have perpetual existence and succession;

17 (3) adopt, have and use a seal and to alter the same at its pleasure;

18 (4) sue and be sued in its own name;

19 (5) make and execute contracts, guarantees or any other instruments
20 and agreements necessary or convenient for the exercise of its powers and
21 functions including, without limitation, to make and execute contracts with
22 hospitals or other health care businesses to operate and manage any or all
23 of the hospital facilities or operations and to incur liabilities and secure the
24 obligations of any entity or individual;

25 (6) borrow money and to issue bonds evidencing the same and pledge
26 all or any part of the authority's assets therefor;

27 (7) purchase, lease, trade, exchange or otherwise acquire, maintain,
28 hold, improve, mortgage, sell, lease and dispose of personal property,
29 whether tangible or intangible, and any interest therein; and to purchase,
30 lease, trade, exchange or otherwise acquire real property or any interest
31 therein, and to maintain, hold, improve, mortgage, lease and otherwise
32 transfer such real property, so long as such transactions do not conflict
33 with the mission of the authority as specified in this act;

34 (8) incur or assume indebtedness to, and enter into contracts with the
35 Kansas development finance authority, which is authorized to borrow
36 money and provide financing for the authority;

37 (9) develop policies and procedures generally applicable to the
38 procurement of goods, services and construction, based upon sound
39 business practices;

40 (10) contract for and to accept any gifts, grants and loans of funds,
41 property, or any other aid in any form from the federal government, the
42 state, any state agency, or any other source, or any combination thereof,
43 and to comply with the provisions of the terms and conditions thereof;

1 (11) acquire space, equipment, services, supplies and insurance
2 necessary to carry out the purposes of this act;

3 (12) deposit any moneys of the authority in any banking institution
4 within or without the state or in any depository authorized to receive such
5 deposits, one or more persons to act as custodians of the moneys of the
6 authority, to give surety bonds in such amounts in form and for such
7 purposes as the board requires;

8 (13) procure such insurance, participate in such insurance plans or
9 provide such self insurance or both as it deems necessary or convenient to
10 carry out the purposes and provisions of this act; the purchase of
11 insurance, participation in an insurance plan or creation of a self-insurance
12 fund by the authority shall not be deemed as a waiver or relinquishment of
13 any sovereign immunity to which the authority or its officers, directors,
14 employees or agents are otherwise entitled;

15 (14) appoint, supervise and set the salary and compensation of a
16 president of the authority who shall be appointed by and serve at the
17 pleasure of the board;

18 (15) fix, revise, charge and collect rates, rentals, fees and other
19 charges for the services or facilities furnished by or on behalf of the
20 authority, and to establish policies and procedures regarding any such
21 service rendered for the use, occupancy or operation of any such facility;
22 such charges and policies and procedures not to be subject to supervision
23 or regulation by any commission, board, bureau or agency of the state; and

24 (16) do any and all things necessary or convenient to carry out the
25 authority's purposes and exercise the powers given in this act.

26 (b) The authority may create, own in whole or in part, or otherwise
27 acquire or dispose of any entity organized for a purpose related to or in
28 support of the mission of the authority.

29 (c) The authority may participate in joint ventures with individuals,
30 corporations, governmental bodies or agencies, partnerships, associations,
31 insurers or other entities to facilitate any activities or programs consistent
32 with the public purpose and intent of this act.

33 (d) The authority may create a nonprofit entity or entities for the
34 purpose of soliciting, accepting and administering grants, outright gifts and
35 bequests, endowment gifts and bequests and gifts and bequests in trust
36 which entity or entities shall not engage in trust business.

37 (e) In carrying out any activities authorized by this act, the authority
38 may provide appropriate assistance, including the making of loans and
39 providing time of employees, to corporations, partnerships, associations,
40 joint ventures or other entities, whether or not such corporations,
41 partnerships, associations, joint ventures or other entities are owned or
42 controlled in whole or in part, directly or indirectly, by the authority.

43 (f) Effective with the transfer date, all moneys of the authority shall

1 be deposited in one or more banks or trust companies in one or more
2 special accounts. All banks and trust companies are authorized to give
3 security for such deposits if required by the authority. The moneys in such
4 accounts shall be paid out on a warrant or other orders of the treasurer of
5 the authority or any such other person or persons as the authority may
6 authorize to execute such warrants or orders.

7 (g) Notwithstanding any provision of law to the contrary, the
8 authority, effective with the transfer date, may invest the authority's
9 operating funds in any obligations or securities as authorized by the board.
10 The board shall adopt written investment guidelines.

11 (h) The authority is authorized to negotiate contracts with one or
12 more qualified parties to provide collection services. The selection of a
13 collection services provider shall be based on responses to a request for
14 proposals from qualified professional firms and shall be administered in
15 accordance with policies adopted by the board.

16 ~~(i) Notwithstanding any provision of law to the contrary, no abortion
17 shall be performed, except in the event of a medical emergency, in any
18 medical facility, hospital or clinic owned, leased or operated by the
19 authority. The provisions of this subsection are not applicable to any
20 member of the physician faculty of the university of Kansas school of
21 medicine when such abortion is performed outside the scope of such
22 member's employment on property not owned, leased or operated by the
23 authority. As used in this subsection, "medical emergency" means a
24 condition that, in reasonable medical judgment, so complicates the medical
25 condition of the pregnant woman as to necessitate the immediate abortion
26 of her pregnancy to avert the death of the woman or for which a delay
27 necessary to comply with the applicable statutory requirements will create
28 serious risk of substantial and irreversible physical impairment of a major
29 bodily function. No condition shall be deemed a medical emergency if
30 based on a claim or diagnosis that the woman will engage in conduct
31 which would result in her death or in substantial and irreversible physical
32 impairment of a major bodily function.~~

33 Sec. 9. K.S.A. 2022 Supp. 79-32,117 is hereby amended to read as
34 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual
35 means such individual's federal adjusted gross income for the taxable year,
36 with the modifications specified in this section.

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

38 (i) Interest income less any related expenses directly incurred in the
39 purchase of state or political subdivision obligations, to the extent that the
40 same is not included in federal adjusted gross income, on obligations of
41 any state or political subdivision thereof, but to the extent that interest
42 income on obligations of this state or a political subdivision thereof issued
43 prior to January 1, 1988, is specifically exempt from income tax under the

1 laws of this state authorizing the issuance of such obligations, it shall be
2 excluded from computation of Kansas adjusted gross income whether or
3 not included in federal adjusted gross income. Interest income on
4 obligations of this state or a political subdivision thereof issued after
5 December 31, 1987, shall be excluded from computation of Kansas
6 adjusted gross income whether or not included in federal adjusted gross
7 income.

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

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

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

33 (v) The amount of any depreciation deduction or business expense
34 deduction claimed on the taxpayer's federal income tax return for any
35 capital expenditure in making any building or facility accessible to the
36 handicapped, for which expenditure the taxpayer claimed the credit
37 allowed by K.S.A. 79-32,177, and amendments thereto.

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

41 (vii) The amount of any charitable contribution made to the extent the
42 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
43 32,196, and amendments thereto.

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

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

11 (x) Amounts received as nonqualified withdrawals, as defined by
12 K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a
13 family postsecondary education savings account, such amounts were
14 subtracted from the federal adjusted gross income pursuant to K.S.A. 79-
15 32,117(c)(xv), and amendments thereto, or if such amounts are not already
16 included in the federal adjusted gross income.

17 (xi) The amount of any contribution made to the same extent the
18 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-
19 50,154, and amendments thereto.

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

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

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

35 (xv) The amount of any expenditures claimed for deduction in
36 determining federal adjusted gross income, to the extent the same is
37 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223
38 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-
39 32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-
40 32,251 through 79-32,254, and amendments thereto.

41 (xvi) The amount of any amortization deduction claimed in
42 determining federal adjusted gross income to the extent the same is
43 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-

1 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

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

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

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

34 (xx) For taxable years beginning after December 31, 2012, and
35 ending before January 1, 2017, the amount of any deduction for self-
36 employment taxes under section 164(f) of the federal internal revenue
37 code as in effect on January 1, 2012, and amendments thereto, in
38 determining the federal adjusted gross income of an individual taxpayer, to
39 the extent the deduction is attributable to income reported on schedule C,
40 E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income
41 tax return.

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

1 profit sharing, and annuity plans of self-employed individuals under
2 section 62(a)(6) of the federal internal revenue code as in effect on January
3 1, 2012, and amendments thereto, in determining the federal adjusted gross
4 income of an individual taxpayer.

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

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

15 ~~(xxiv) For taxable years commencing after December 31, 2013, that~~
16 ~~portion of the amount of any expenditure deduction claimed in~~
17 ~~determining federal adjusted gross income for expenses paid for medical~~
18 ~~care of the taxpayer or the taxpayer's spouse or dependents when such~~
19 ~~expenses were paid or incurred for an abortion, or for a health benefit plan,~~
20 ~~as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of~~
21 ~~an optional rider for coverage of abortion in accordance with K.S.A. 40-~~
22 ~~2,190, and amendments thereto, to the extent that such taxes and~~
23 ~~assessments are claimed as an itemized deduction for federal income tax~~
24 ~~purposes.~~

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

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

41 ~~(xxvii)~~(xxv) For all taxable years commencing after December 31,
42 2020, the amount deducted by reason of a carryforward of disallowed
43 business interest pursuant to section 163(j) of the federal internal revenue

1 code of 1986, as in effect on January 1, 2018.

2 ~~(xxviii)~~(xxvi) For all taxable years beginning after December 31,
3 2021, the amount of any contributions to, or earnings from, a first-time
4 home buyer savings account if distributions from the account were not
5 used to pay for expenses or transactions authorized pursuant to K.S.A.
6 2022 Supp. 58-4904, and amendments thereto, or were not held for the
7 minimum length of time required pursuant to K.S.A. 2022 Supp. 58-4904,
8 and amendments thereto. Contributions to, or earnings from, such account
9 shall also include any amount resulting from the account holder not
10 designating a surviving transfer on death beneficiary pursuant to K.S.A.
11 2022 Supp. 58-4904(e), and amendments thereto.

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

13 (i) Interest or dividend income on obligations or securities of any
14 authority, commission or instrumentality of the United States and its
15 possessions less any related expenses directly incurred in the purchase of
16 such obligations or securities, to the extent included in federal adjusted
17 gross income but exempt from state income taxes under the laws of the
18 United States.

19 (ii) Any amounts received which are included in federal adjusted
20 gross income but which are specifically exempt from Kansas income
21 taxation under the laws of the state of Kansas.

22 (iii) The portion of any gain or loss from the sale or other disposition
23 of property having a higher adjusted basis for Kansas income tax purposes
24 than for federal income tax purposes on the date such property was sold or
25 disposed of in a transaction in which gain or loss was recognized for
26 purposes of federal income tax that does not exceed such difference in
27 basis, but if a gain is considered a long-term capital gain for federal
28 income tax purposes, the modification shall be limited to that portion of
29 such gain which is included in federal adjusted gross income.

30 (iv) The amount necessary to prevent the taxation under this act of
31 any annuity or other amount of income or gain which was properly
32 included in income or gain and was taxed under the laws of this state for a
33 taxable year prior to the effective date of this act, as amended, to the
34 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
35 the right to receive the income or gain, or to a trust or estate from which
36 the taxpayer received the income or gain.

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

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

1 (vii) Amounts received as annuities under the federal civil service
2 retirement system from the civil service retirement and disability fund and
3 other amounts received as retirement benefits in whatever form which
4 were earned for being employed by the federal government or for service
5 in the armed forces of the United States.

6 (viii) Amounts received by retired railroad employees as a
7 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and
8 228c(a)(1) et seq.

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

14 (x) For taxable years beginning after December 31, 1976, the amount
15 of the federal tentative jobs tax credit disallowance under the provisions of
16 26 U.S.C. § 280C. For taxable years ending after December 31, 1978, the
17 amount of the targeted jobs tax credit and work incentive credit
18 disallowances under 26 U.S.C. § 280C.

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

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

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

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

43 (xv) For all taxable years beginning after December 31, 2017, the

1 cumulative amounts not exceeding \$3,000, or \$6,000 for a married couple
2 filing a joint return, for each designated beneficiary that are contributed to:
3 (1) A family postsecondary education savings account established under
4 the Kansas postsecondary education savings program or a qualified tuition
5 program established and maintained by another state or agency or
6 instrumentality thereof pursuant to section 529 of the internal revenue
7 code of 1986, as amended, for the purpose of paying the qualified higher
8 education expenses of a designated beneficiary; or (2) an achieving a
9 better life experience (ABLE) account established under the Kansas ABLE
10 savings program or a qualified ABLE program established and maintained
11 by another state or agency or instrumentality thereof pursuant to section
12 529A of the internal revenue code of 1986, as amended, for the purpose of
13 saving private funds to support an individual with a disability. The terms
14 and phrases used in this paragraph shall have the meaning respectively
15 ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and
16 amendments thereto, and the provisions of such sections are hereby
17 incorporated by reference for all purposes thereof.

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

28 (xvii) For all taxable years beginning after December 31, 2004,
29 amounts received by taxpayers who are eligible members of the Kansas
30 army and air national guard as a reimbursement pursuant to K.S.A. 48-
31 281, and amendments thereto, and amounts received for death benefits
32 pursuant to K.S.A. 48-282, and amendments thereto, to the extent that
33 such death benefits are included in federal adjusted gross income of the
34 taxpayer.

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

1 status is single, head of household, married filing separate or married filing
2 jointly.

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

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

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

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

1 breeding, dairy or sporting purposes, and held by such taxpayer for 24
2 months or more from the date of acquisition; and (2) other livestock,
3 regardless of age, held by the taxpayer for draft, breeding, dairy or
4 sporting purposes, and held by such taxpayer for 12 months or more from
5 the date of acquisition. The subtraction from federal adjusted gross income
6 shall be limited to the amount of the additions recognized under the
7 provisions of subsection (b)(xix) attributable to the business in which the
8 livestock sold had been used. As used in this paragraph, the term
9 "livestock" shall not include poultry.

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

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

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

22 (xxvi) For all taxable years commencing after December 31, 2020,
23 the amount disallowed as a deduction pursuant to section 163(j) of the
24 federal internal revenue code of 1986, as in effect on January 1, 2018.

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

30 (xxviii) For all taxable years beginning after December 31, 2021: (1)
31 The amount contributed to a first-time home buyer savings account
32 pursuant to K.S.A. 2022 Supp. 58-4903, and amendments thereto, in an
33 amount not to exceed \$3,000 for an individual or \$6,000 for a married
34 couple filing a joint return; or (2) amounts received as income earned from
35 assets in a first-time home buyer savings account.

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

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

1 gross income of the partner.

2 (f) No taxpayer shall be assessed penalties and interest from the
3 underpayment of taxes due to changes to this section that became law on
4 July 1, 2017, so long as such underpayment is rectified on or before April
5 17, 2018.

6 Sec. 10. K.S.A. 2022 Supp. 79-32,138 is hereby amended to read as
7 follows: 79-32,138. (a) Kansas taxable income of a corporation taxable
8 under this act shall be the corporation's federal taxable income for the
9 taxable year with the modifications specified in this section, except that in
10 determination of such federal taxable income for all taxable years
11 commencing after December 31, 2020, section 118 of the federal internal
12 revenue code of 1986 shall be applied as in effect on December 21, 2017.

13 (b) There shall be added to federal taxable income:

14 (i) The same modifications as are set forth in K.S.A. 79-32,117(b),
15 and amendments thereto, with respect to resident individuals, except
16 subsections (b)(xix), (b)(xx), (b)(xxi), (b)(xxii) and (b)(xxiii);

17 (ii) the amount of all depreciation deductions claimed for any
18 property upon which the deduction allowed by K.S.A. 79-32,221, 79-
19 32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-32,255 or 79-
20 32,256, and amendments thereto, is claimed;

21 (iii) the amount of any charitable contribution deduction claimed for
22 any contribution or gift to or for the use of any racially segregated
23 educational institution;

24 ~~(iv) for taxable years commencing December 31, 2013, that portion~~
25 ~~of the amount of any expenditure deduction claimed in determining federal~~
26 ~~adjusted gross income for expenses paid by a taxpayer for health care~~
27 ~~when such expenses were paid or incurred for abortion coverage, a health~~
28 ~~benefit plan, as defined in K.S.A. 65-6731, and amendments thereto, when~~
29 ~~such expenses were paid or incurred for abortion coverage or amounts~~
30 ~~contributed to health savings accounts for such taxpayer's employees for~~
31 ~~the purchase of an optional rider for coverage of abortion in accordance~~
32 ~~with K.S.A. 40-2,190, and amendments thereto;~~

33 ~~(v)—the amount of any charitable contribution deduction claimed for~~
34 ~~any contribution or gift made to a scholarship granting organization to the~~
35 ~~extent the same is claimed as the basis for the credit allowed pursuant to~~
36 ~~K.S.A. 72-4357, and amendments thereto;~~

37 ~~(vi)(v) the federal net operating loss deduction; and~~

38 ~~(vii)(vi) for all taxable years commencing after December 31, 2020,~~
39 ~~the amount of any deduction claimed under section 250(a)(1)(B) of the~~
40 ~~federal internal revenue code of 1986.~~

41 (c) There shall be subtracted from federal taxable income:

42 (i) The same modifications as are set forth in K.S.A. 79-32,117(c),
43 and amendments thereto, with respect to resident individuals, except

1 subsection (c)(xx);

2 (ii) the federal income tax liability for any taxable year commencing
3 prior to December 31, 1971, for which a Kansas return was filed after
4 reduction for all credits thereon, except credits for payments on estimates
5 of federal income tax, credits for gasoline and lubricating oil tax, and for
6 foreign tax credits if, on the Kansas income tax return for such prior year,
7 the federal income tax deduction was computed on the basis of the federal
8 income tax paid in such prior year, rather than as accrued. Notwithstanding
9 the foregoing, the deduction for federal income tax liability for any year
10 shall not exceed that portion of the total federal income tax liability for
11 such year which bears the same ratio to the total federal income tax
12 liability for such year as the Kansas taxable income, as computed before
13 any deductions for federal income taxes and after application of
14 subsections (d) and (e) as existing for such year, bears to the federal
15 taxable income for the same year;

16 (iii) an amount for the amortization deduction allowed pursuant to
17 K.S.A. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-
18 32,250, 79-32,255 or 79-32,256, and amendments thereto;

19 (iv) for all taxable years commencing after December 31, 1987, the
20 amount included in federal taxable income pursuant to the provisions of
21 section 78 of the internal revenue code;

22 (v) 80% of dividends from corporations incorporated outside of the
23 United States or the District of Columbia which are included in federal
24 taxable income. As used in this paragraph, "dividends" includes amounts
25 included in income under section 965 of the federal internal revenue code
26 of 1986, net of the deduction permitted by section 965(c) of the federal
27 internal revenue code of 1986. For all taxable years commencing after
28 December 31, 2020, this paragraph does not apply to amounts excluded
29 from income pursuant to K.S.A. 79-32,117(c)(xxv), and amendments
30 thereto, or amounts added back pursuant to K.S.A. 79-32,138(b)(vii), and
31 amendments thereto; and

32 (vi) for all taxable years commencing after December 31, 2020, the
33 amount disallowed as a deduction pursuant to section 162(r) of the federal
34 internal revenue code of 1986, as in effect on January 1, 2018.

35 (d) If any corporation derives all of its income from sources within
36 Kansas in any taxable year commencing after December 31, 1979, its
37 Kansas taxable income shall be the sum resulting after application of
38 subsections (a) through (c). Otherwise, such corporation's Kansas taxable
39 income in any such taxable year, after excluding any refunds of federal
40 income tax and before the deduction of federal income taxes provided by
41 subsection (c)(ii) shall be allocated as provided in K.S.A. 79-3271 through
42 79-3293, and amendments thereto, plus any refund of federal income tax
43 as determined under K.S.A. 79-32,117(b)(iv), and amendments thereto,

1 and minus the deduction for federal income taxes as provided by
2 subsection (c)(ii) shall be such corporation's Kansas taxable income.

3 (e) A corporation may make an election with respect to its first
4 taxable year commencing after December 31, 1982, whereby no addition
5 modifications as provided for in subsection (b)(ii) and subtraction
6 modifications as provided for in subsection (c)(iii) as those subsections
7 existed prior to their amendment by this act, shall be required to be made
8 for such taxable year.

9 Sec. 11. K.S.A. 2022 Supp. 79-32,182b is hereby amended to read as
10 follows: 79-32,182b. (a) For all taxable years commencing after December
11 31, 2022, a credit shall be allowed against the tax imposed by the Kansas
12 income tax act on the Kansas taxable income of a taxpayer for
13 expenditures in research and development activities conducted within this
14 state in an amount equal to 10% of the amount by which the amount
15 expended for such activities in the taxable year of the taxpayer exceeds the
16 taxpayer's average of the actual expenditures for such purposes made in
17 such taxable year and the next preceding two taxable years.

18 (b) In any one taxable year, the amount of such credit allowable for
19 deduction from the taxpayer's tax liability shall not exceed 25% of the total
20 amount of such credit plus any applicable carry forward amount. The
21 amount by which that portion of the credit allowed by subsections (a) and
22 (b) to be claimed in any one taxable year exceeds the taxpayer's tax
23 liability in such year may be carried forward until the total amount of the
24 credit is used.

25 (c) As used in this section, the term "expenditures in research and
26 development activities" means expenditures made for such purposes, other
27 than expenditures of moneys made available to the taxpayer pursuant to
28 federal or state law, ~~which~~ *that* are treated as expenses allowable for
29 deduction under the provisions of the federal internal revenue code of
30 1986, as amended, ~~except that for taxable years commencing after~~
31 ~~December 31, 2013, expenditures in research and development activities~~
32 ~~shall not include any expenditures for the performance of any abortion, as~~
33 ~~defined in K.S.A. 65-6701, and amendments thereto.~~

34 (d) For tax year 2023 and all tax years thereafter, the income tax
35 credit allowed pursuant to this section shall be transferable by a taxpayer
36 without a current tax liability. The tax credit may be transferred to any
37 person and be claimed by the transferee as a credit against the transferee's
38 Kansas income tax liability in the tax year when it was transferred. The
39 credit shall be claimed and may be carried forward by the transferee as
40 provided and limited by subsection (b). No person shall be entitled to a
41 refund for the transferred tax credit. Only the full credit may be
42 transferred, and the credit may only be transferred one time.
43 Documentation of any credit acquired by transfer shall be provided by the

1 taxpayer or the transferee in the manner required by the secretary of
2 revenue.

3 Sec. 12. K.S.A. 79-32,195 is hereby amended to read as follows: 79-
4 32,195. As used in this act, the following words and phrases shall have the
5 meanings ascribed to them herein: (a) "Business firm" means any business
6 entity authorized to do business in the state of Kansas which is subject to
7 the state income tax imposed by the provisions of the Kansas income tax
8 act, any individual subject to the state income tax imposed by the
9 provisions of the Kansas income tax act, any national banking association,
10 state bank, trust company or savings and loan association paying an annual
11 tax on its net income pursuant to article 11 of chapter 79 of the Kansas
12 Statutes Annotated, and amendments thereto, or any insurance company
13 paying the premium tax and privilege fees imposed pursuant to K.S.A. 40-
14 252, and amendments thereto;

15 (b) "Community services" means:

16 (1) The conduct of activities which meet a demonstrated community
17 need and which are designed to achieve improved educational and social
18 services for Kansas children and their families, and which are coordinated
19 with communities including, but not limited to, social and human services
20 organizations that address the causes of poverty through programs and
21 services that assist low income persons in the areas of employment, food,
22 housing, emergency assistance and health care;

23 (2) crime prevention;

24 (3) health care services; and

25 (4) youth apprenticeship and technical training.

26 (c) "Crime prevention" means any nongovernmental activity which
27 aids in the prevention of crime.

28 (d) "Youth apprenticeship and technical training" means conduct of
29 activities which are designed to improve the access to and quality of
30 apprenticeship and technical training which support an emphasis on rural
31 construction projects as well as the necessary equipment, facilities and
32 supportive mentorship for youth apprenticeships and technical training.

33 (e) "Community service organization" means any organization
34 performing community services in Kansas and which:

35 (1) Has obtained a ruling from the internal revenue service of the
36 United States department of the treasury that such organization is exempt
37 from income taxation under the provisions of section 501(c)(3) of the
38 federal internal revenue code; or

39 (2) is incorporated in the state of Kansas or another state as a
40 nonstock, nonprofit corporation; or

41 (3) has been designated as a community development corporation by
42 the United States government under the provisions of title VII of the
43 economic opportunity act of 1964; or

1 (4) is chartered by the United States congress.

2 (f) "Contributions" shall mean and include the donation of cash,
3 services or property other than used clothing in an amount or value of
4 \$250 or more. Stocks and bonds contributed shall be valued at the stock
5 market price on the date of transfer. Services contributed shall be valued at
6 the standard billing rate for not-for-profit clients. Personal property items
7 contributed shall be valued at the lesser of its fair market value or cost to
8 the donor and may be inclusive of costs incurred in making the
9 contribution, but shall not include sales tax. Contributions of real estate are
10 allowable for credit only when title thereto is in fee simple absolute and is
11 clear of any encumbrances. The amount of credit allowable shall be based
12 upon the lesser of two current independent appraisals conducted by state
13 licensed appraisers.

14 (g) "Health care services" shall include, but not be limited to, the
15 following: Services provided by local health departments, city, county or
16 district hospitals, city or county nursing homes, or other residential
17 institutions, preventive health care services offered by a community
18 service organization including immunizations, prenatal care, the
19 postponement of entry into nursing homes by home health care services,
20 and community based services for persons with a disability, mental health
21 services, indigent health care, physician or health care worker recruitment,
22 health education, emergency medical services, services provided by rural
23 health clinics, integration of health care services, home health services and
24 services provided by rural health networks, ~~except that for taxable years~~
25 ~~commencing after December 31, 2013, health care services shall not~~
26 ~~include any service involving the performance of any abortion, as defined~~
27 ~~in K.S.A. 65-6701, and amendments thereto.~~

28 (h) "Rural community" means any city having a population of fewer
29 than 15,000 located in a county that is not part of a standard metropolitan
30 statistical area as defined by the United States department of commerce or
31 its successor agency. However, any such city located in a county defined
32 as a standard metropolitan statistical area shall be deemed a rural
33 community if a substantial number of persons in such county derive their
34 income from agriculture and, in any county where there is only one city
35 within the county which has a population of more than 15,000 and which
36 classifies as a standard metropolitan statistical area, all other cities in that
37 county having a population of less than 15,000 shall be deemed a rural
38 community.

39 Sec. 13. K.S.A. 2022 Supp. 79-32,261 is hereby amended to read as
40 follows: 79-32,261. (a) (1) On and after July 1, 2008, any taxpayer who
41 contributes in the manner prescribed by this paragraph to a community
42 college located in Kansas for capital improvements, to a technical college
43 for deferred maintenance or the purchase of technology or equipment or to

1 a postsecondary educational institution located in Kansas for deferred
2 maintenance, shall be allowed a credit against the tax imposed by the
3 Kansas income tax act, the premium tax or privilege fees imposed
4 pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as
5 measured by net income of financial institutions imposed pursuant to
6 article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments
7 thereto. The tax credit allowed by this paragraph is applicable for the tax
8 year 2008 for any contributions made on and after July 1, 2008, and for the
9 tax years 2009, 2010, 2011 and 2012 for any contributions made during
10 the entire tax year. The amount of the credit allowed by this paragraph
11 shall not exceed 60% of the total amount contributed during the taxable
12 year by the taxpayer to a community college or a technical college located
13 in Kansas for such purposes. The amount of the credit allowed by this
14 paragraph shall not exceed 50% of the total amount contributed during the
15 taxable year by the taxpayer to a postsecondary educational institution for
16 such purposes. If the amount of the credit allowed by this paragraph for a
17 taxpayer who contributes to a community college or a technical college
18 exceeds the taxpayer's income tax liability imposed by the Kansas income
19 tax act, such excess amount shall be refunded to the taxpayer. If the
20 amount of the tax credit for a taxpayer who contributes to a postsecondary
21 educational institution exceeds the taxpayer's income tax liability for the
22 taxable year, the amount which exceeds the tax liability may be carried
23 over for deduction from the taxpayer's income tax liability in the next
24 succeeding taxable year or years until the total amount of the tax credit has
25 been deducted from tax liability, except that no such tax credit shall be
26 carried over for deduction after the third taxable year succeeding the
27 taxable year in which the contribution is made. Prior to the issuance of any
28 tax credits pursuant to this paragraph, the structure of the process in which
29 contributions received by a community college, a technical college or a
30 postsecondary educational institution qualify as tax credits allowed and
31 issued pursuant to this paragraph shall be developed by a community
32 college, a technical college and a postsecondary educational institution in
33 consultation with the secretary of revenue and the foundation or
34 endowment association of any such community college, technical college
35 or postsecondary educational institution in a manner that complies with
36 requirements specified in the federal internal revenue code of 1986, as
37 amended, so that contributions qualify as charitable contributions
38 allowable as deductions from federal adjusted gross income.

39 (2) On and after July 1, 2022, any taxpayer who contributes in the
40 manner prescribed by this paragraph to a community college or technical
41 college located in Kansas for capital improvements, deferred maintenance
42 or the purchase of technology or equipment shall be allowed a credit
43 against the tax imposed by the Kansas income tax act, the premium tax or

1 privilege fees imposed pursuant to K.S.A. 40-252, and amendments
2 thereto, or the privilege tax as measured by net income of financial
3 institutions imposed pursuant to article 11 of chapter 79 of the Kansas
4 Statutes Annotated, and amendments thereto. The tax credit allowed by
5 this paragraph is applicable for the tax year 2022 for any contributions
6 made on and after July 1, 2022, and for the tax years 2023, 2024, 2025 and
7 2026 for any contributions made during the entire tax year. The amount of
8 the credit allowed by this paragraph shall equal 60% of the total amount
9 contributed during the taxable year by the taxpayer to a community college
10 or a technical college located in Kansas for such purposes. Prior to the
11 issuance of any tax credits pursuant to this paragraph, the structure of the
12 process in which contributions received by a community college or
13 technical college qualify as tax credits allowed and issued pursuant to this
14 paragraph shall be developed by a community college and technical
15 college in consultation with the secretary of revenue and the foundation or
16 endowment association of any such community college or technical
17 college in a manner that complies with requirements specified in the
18 federal internal revenue code of 1986, as amended, so that contributions
19 qualify as charitable contributions allowable as deductions from federal
20 adjusted gross income.

21 (b) (1) Upon receipt of any contributions to a community college
22 made pursuant to the provisions of subsection (a)(1), the treasurer of the
23 community college shall deposit such contributions to the credit of the
24 capital outlay fund of such community college established as provided by
25 K.S.A. 71-501a, and amendments thereto. Expenditures from such fund
26 shall be made for the purposes described in K.S.A. 71-501(a), and
27 amendments thereto, except that expenditures shall not be made from such
28 fund for new construction or the acquisition of real property for use as
29 building sites or for educational programs.

30 (2) Upon receipt of any contributions to a technical college made
31 pursuant to the provisions of subsection (a)(1), such contributions shall be
32 deposited to the credit of a deferred maintenance fund or a technology and
33 equipment fund established by the technical college which received the
34 contribution. Expenditures from such fund shall be made only for the
35 purpose as provided in subsection (b)(1).

36 (3) Upon receipt of any such contributions to a postsecondary
37 educational institution made pursuant to the provisions of subsection (a)
38 (1), such contributions shall be deposited to the credit of the appropriate
39 deferred maintenance support fund of the postsecondary educational
40 institution that received the contribution. Expenditures from such fund
41 shall be made only for the purposes designated for such fund pursuant to
42 law.

43 (4) Upon receipt of any such contributions to a community college or

1 technical college made pursuant to the provisions of subsection (a)(2), the
2 treasurer of the community college or technical college shall deposit such
3 contributions to the credit of the capital outlay fund of such community
4 college or technical college established as provided by K.S.A. 71-501a,
5 and amendments thereto. Expenditures from such fund shall be made for
6 the purposes designated for such fund pursuant to law.

7 (c) (1) In no event shall the total amount of credits allowed under
8 subsection (a)(1) for taxpayers who contribute to any one such community
9 college or technical college exceed the following amounts: For the tax year
10 2008, an amount not to exceed \$78,125; for the tax year 2009, an amount
11 not to exceed \$156,250; and for the tax years 2010, 2011 and 2012, an
12 amount not to exceed \$208,233.33.

13 (2) In no event shall the total of credits allowed under subsection (a)
14 (1) for taxpayers who contribute to postsecondary educational institutions
15 exceed the following amounts: For the tax year 2008, an amount not to
16 exceed \$5,625,000; for the tax year 2009, an amount not to exceed
17 \$11,250,000; and for the tax years 2010, 2011 and 2012, an amount not to
18 exceed \$15,000,000. Except as otherwise provided, the allocation of such
19 tax credits for each individual state educational institution shall be
20 determined by the state board of regents in consultation with the secretary
21 of revenue and the university foundation or endowment association of
22 each postsecondary educational institution, and such determination shall
23 be completed prior to the issuance of any tax credits pursuant to subsection
24 (a)(1). Not more than 40% of the total of credits allowed under subsection
25 (a)(1) shall be allocated to any one postsecondary educational institution
26 unless all such postsecondary educational institutions approve an
27 allocation to any one such postsecondary educational institution which
28 exceeds 40% of the total of such credits allowed under subsection (a)(1).

29 (3) For the tax years 2022 through 2026, the amount of such credit
30 awarded under subsection (a)(2) for each taxpayer shall not exceed
31 \$250,000 per tax year.

32 (4) In no event shall the total of credits allowed under subsection (a)
33 (2) for contributions to any one community college or technical college
34 exceed \$500,000 per tax year.

35 (5) In no event shall the total of credits allowed under subsection (a)
36 (2) exceed \$5,000,000 for each tax year that the credit remains in effect.

37 (d) As used in this section: (1) "Community college" means a
38 community college established under the provisions of the community
39 college act;

40 (2) "deferred maintenance" means the maintenance, repair,
41 reconstruction or rehabilitation of a building located at a technical college
42 or a postsecondary educational institution which has been deferred, any
43 utility systems relating to such building, any life-safety upgrades to such

1 building and any improvements necessary to be made to such building in
2 order to comply with the requirements of the Americans with disabilities
3 act or other federal or state law, ~~except that for taxable years commencing~~
4 ~~after December 31, 2013, deferred maintenance shall not include any~~
5 ~~maintenance, repair, reconstruction or rehabilitation of any building in~~
6 ~~which any abortion, as defined in K.S.A. 65-6701, and amendments~~
7 ~~thereto, is performed;~~

8 (3) "postsecondary educational institution" means the university of
9 Kansas, Kansas state university of agriculture and applied science, Wichita
10 state university, Emporia state university, Pittsburg state university, Fort
11 Hays state university and Washburn university of Topeka; and

12 (4) "technical college" means a technical college as designated
13 pursuant to K.S.A. 74-32,458, 74-32,460, 74-32,461, 74-32,462, 74-
14 32,464 and 74-32,465, and amendments thereto, and the institute of
15 technology at Washburn university.

16 (e) (1) Any taxpayer not subject to Kansas income, privilege or
17 premiums tax who contributes to a community college, technical college
18 or postsecondary educational institution, hereinafter designated the
19 transferor, may sell, assign, convey or otherwise transfer tax credits
20 allowed and earned pursuant to this section. The sale price of a tax credit
21 shall be at least 50% of the full value of the credit. Such credit shall be
22 deemed to be allowed and earned by any such taxpayer which is only
23 disqualified therefrom by reason of not being subject to such Kansas taxes.
24 The taxpayer acquiring earned credits, hereinafter designated the
25 transferee, may use the amount of the acquired credits to offset up to 100%
26 of the taxpayer's income, privilege or premiums tax liability for the taxable
27 year in which such acquisition was made. Such credits may be sold or
28 transferred only one time and, if sold or transferred, shall be transferred in
29 the tax year such credit is earned or the two successive tax years. A
30 transferred credit shall be claimed in the year purchased. The transferor
31 shall enter into a written agreement with the transferee establishing the
32 terms and conditions of the sale or transfer and shall perfect such transfer
33 by notifying the secretary of revenue in writing within 30 calendar days
34 following the effective date of the transfer, subject to the review and
35 approval or denial of such transfer by the secretary of revenue. The
36 transferor and transferee shall provide any information pertaining to the
37 sale or transfer as may be required by the secretary of revenue to
38 administer and carry out the provisions of this section. The amount
39 received by the transferor of such tax credit shall be taxable as income of
40 the transferor, and the excess of the value of such credit over the amount
41 paid by the transferee for such credit shall be taxable as income of the
42 transferee.

43 (2) The provisions of this subsection shall not apply to tax credits

1 earned pursuant to subsection (a)(2).

2 (f) The secretary of revenue shall submit an annual report to the
3 legislature to assist the legislature in the evaluation of the utilization of any
4 credits claimed pursuant to this act, including information specific as to
5 each community college, technical college or postsecondary educational
6 institution. Such report shall be due on or before the first day of the
7 legislative session following the tax year in which the credits were
8 claimed.

9 (g) The secretary of revenue shall adopt rules and regulations
10 necessary to administer the provisions of this section.

11 Sec. 14. K.S.A. 40-2,103, 40-2,190, 40-2,191, 40-19c09, 40-2246,
12 65-6709, 65-6722, 65-6723, 65-6724, 65-6725, 65-6733, 65-6734, 65-
13 6737, 76-3308 and 79-32,195 and K.S.A. 2022 Supp. 79-32,117, 79-
14 32,138, 79-32,182b and 79-32,261 are hereby repealed.

15 Sec. 15. This act shall take effect and be in force from and after its
16 publication in the statute book.