

2021 Kansas Statutes

79-32,138. Kansas taxable income of corporations; addition and subtraction modifications. (a) Kansas taxable income of a corporation taxable under this act shall be the corporation's federal taxable income for the taxable year with the modifications specified in this section, except that in determination of such federal taxable income for all taxable years commencing after December 31, 2020, section 118 of the federal internal revenue code of 1986 shall be applied as in effect on December 21, 2017.

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

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

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

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

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

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

(vi) the federal net operating loss deduction; and

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

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

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

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

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

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

code;

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

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

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

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

History: L. 1967, ch. 497, § 31; L. 1972, ch. 374, § 1; L. 1973, ch. 399, § 1; L. 1976, ch. 433, § 5; L. 1976, ch. 434, § 6; L. 1978, ch. 408, § 2; L. 1980, ch. 316, § 13; L. 1981, ch. 386, § 1; L. 1982, ch. 411, § 1; L. 1982, ch. 410, § 2; L. 1984, ch. 351, § 19; L. 1987, ch. 386, § 1; L. 1988, ch. 381, § 18; L. 2006, ch. 209, § 30; L. 2007, ch. 113, § 23; L. 2007, ch. 195, § 57; L. 2012, ch. 135, § 16; L. 2013, ch. 119, § 18; L. 2014, ch. 93, § 62; L. 2017, ch. 84, § 7; L. 2021, ch. 93, § 11; July 1.