

SESSION OF 2021

SUPPLEMENTAL NOTE ON SENATE BILL NO. 46

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 46, as amended, would, beginning in tax year 2021, exempt amounts received by retired individuals under all retirement plans from the Kansas income tax to the extent such income is included in federal adjusted gross income.

Background

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of a representative of the Kansas Policy Institute.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, a representative of the Kansas Policy Institute testified as a **proponent** on the bill, stating the bill would create tax equity across differing types of retirement income and provide tax relief to retired Kansans. No other testimony was provided.

The Senate Committee amended the bill to eliminate a provision that would have required the retirement plans to be employer-sponsored in order to qualify for the exemption.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Fiscal Information

The Department of Revenue estimates the bill, as amended, would reduce State General Fund receipts by \$213.4 million in FY 2022, \$215.6 million in FY 2023, and \$217.7 million in FY 2024. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2022 Governor's Budget Report*.

Taxation; income tax; retirement income