

HOUSE BILL No. 2256

By Representative Hodge

2-12

1 AN ACT concerning education; creating the community leaders service
2 act; amending K.S.A. 2018 Supp. 79-32,117 and repealing the existing
3 section.

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 New Section 1. The provisions of sections 1 through 6, and
7 amendments thereto, shall be known and may be cited as the community
8 leaders service act.

9 New Sec. 2. As used in sections 1 through 6, and amendments
10 thereto:

11 (a) "Community organization" means any nonprofit organization that
12 provides services that do not require a professional license, certification or
13 permit under the Kansas Statutes Annotated, and amendments thereto, to
14 perform and that assist elderly individuals with activities of daily living,
15 including, but not limited to, transportation, meal service or delivery and
16 housekeeping tasks. The term "community organization" includes, but is
17 not limited to, home and community based services programs providers,
18 senior centers and senior citizens meals on wheels providers.

19 (b) "Home and community based services programs" shall have the
20 same meaning as that term is defined in K.S.A. 39-7,100, and amendments
21 thereto.

22 (c) "Program" means the community leaders service program
23 established under section 3, and amendments thereto.

24 (d) "Postsecondary educational institution" shall have the same
25 meaning as that term is defined in K.S.A. 74-3201b, and amendments
26 thereto.

27 (e) "School district" means any unified school district organized and
28 operating under the laws of this state.

29 (f) "Work rate" means:

30 (1) For school year 2019-2020, \$15; and

31 (2) for school year 2020-2021, and each school year thereafter, the
32 work rate for the immediately preceding school year plus an amount equal
33 to the increase in the consumer price index for all urban consumers in the
34 midwest region as published by the bureau of labor statistics of the United
35 States department of labor during the immediately preceding school year.

36 New Sec. 3. (a) The board of education of a school district may

1 establish a community leaders service program for the students enrolled in
2 such school district. Any program established pursuant to this section shall
3 be implemented and administered in accordance with the provisions of this
4 act.

5 (b) Upon establishment of a community leaders service program, the
6 board of education establishing such program shall enter into agreements
7 with a community organization located in such school district. Such
8 agreements shall include the following:

9 (1) A description of the community leaders service class to be
10 provided by the school district and taught by personnel from the
11 community organization;

12 (2) terms and conditions for the assignment of students to work with
13 the community organization in providing services that do not require a
14 professional license, certification or permit under the Kansas Statutes
15 Annotated, and amendments thereto, to perform and that assist elderly
16 individuals with activities of daily living, including, but not limited to,
17 transportation, meal service or delivery and housekeeping tasks;

18 (3) terms and conditions for a student participating in the program to
19 earn money for such student's college savings account;

20 (4) terms and conditions for the establishment of a college savings
21 account for each student participating in the program; and

22 (5) terms and conditions for payments from a college savings account
23 to a public or private postsecondary educational institution.

24 (c) In selecting a community organization to administer the program,
25 the board of education shall give preference to a community organization
26 that is a local senior citizens center that provides delivery of senior citizen
27 meals and home and community based services programs.

28 New Sec. 4. (a) Any student enrolled in grades nine through 12 in a
29 school district that has established a community leaders service program
30 under section 3, and amendments thereto, may participate in such program
31 by enrolling in the community leaders service class. The community
32 leaders service class shall be conducted in accordance with the provisions
33 of the agreement entered into between the school district and the
34 community organization pursuant to section 3, and amendments thereto.
35 The curriculum shall include the information that the community
36 organization deems necessary for the students to successfully complete the
37 program, and shall be taught by personnel of the community organization.

38 (b) Any student who passes the community leaders service class is
39 eligible for assignment to work with the community organization in
40 providing services that do not require a professional license, certification
41 or permit under the Kansas Statutes Annotated, and amendments thereto,
42 to perform and that assist elderly individuals with activities of daily living,
43 including, but not limited to, transportation, meal service or delivery and

1 housekeeping tasks. The school district shall work in partnership with the
2 community organization in assigning the student to work under the
3 program. All work performed by a student under the program shall be
4 supervised at all times by personnel of the community organization. The
5 work a student is assigned to perform shall not require any particular
6 postsecondary education degree or certification, or require any other
7 specialized training that has not been provided to the student.

8 (c) The community organization shall record all hours worked by a
9 student under the program and shall submit a report on such hours worked
10 each month to the school district. For purposes of recording the hours
11 worked by a participating student, the community organization shall
12 include any portion of an hour worked.

13 (d) A student may continue to participate in the program until the
14 student graduates from high school or otherwise ceases to be enrolled in a
15 school in the school district.

16 New Sec. 5. (a) Each community organization that has entered into an
17 agreement pursuant to section 3, and amendments thereto, shall establish a
18 college savings account in the name of each student participating in the
19 program. All such accounts shall be held by the community organization in
20 the name of the participating students.

21 (b) Upon receiving a monthly work report from the community
22 organization pursuant to section 4, and amendments thereto, the school
23 district shall submit payment to the community organization in an amount
24 equal to the work rate multiplied by the number of hours reported by the
25 community organization. Upon receipt of each such payment, the
26 community organization shall deposit such amount, less the organization's
27 administrative fee as specified in subsection (c), in the respective college
28 savings accounts for the students whose work hours were reported. Each
29 student's college savings account shall receive an amount proportionate to
30 that student's number of work hours reported to the school district.

31 (c) The community organization may deduct up to 5% of the amount
32 received from the school district as reimbursement for the administrative
33 costs of establishing and maintaining student college savings accounts.

34 (d) The community organization shall provide each participating
35 student with an account summary each month showing the hours worked
36 the preceding month, the balance of money in such account and the
37 administrative fee deducted by the community organization.

38 New Sec. 6. (a) Upon graduation from high school, a student shall
39 become eligible to withdraw moneys from such student's college savings
40 account to be used as permitted by this section. An eligible student may
41 request withdrawal of all or any portion of the moneys held in such
42 student's account at any time by submitting such request to the community
43 organization. Such requests shall be submitted in such form and manner as

1 prescribed by the community organization and shall include the specific
2 amount of money being requested, the name of the postsecondary
3 educational institution to which the money is to be paid and a description
4 of the purpose of the withdrawal, such as for payment of tuition. Upon
5 receipt of an appropriate request for withdrawal of money from a college
6 savings account, the community organization shall pay such requested
7 amount to the requesting student.

8 (b) The community organization shall continue to maintain a student's
9 college savings account and shall continue to provide monthly reports on
10 such account as required by section 5(d), and amendments thereto, until
11 such time as the account is terminated. The community organization shall
12 terminate an account upon the withdrawal of all moneys remaining in the
13 account, or if there has been no withdrawals from the account for 24
14 consecutive months. Upon termination of an account, the community
15 organization shall send a final report to such student stating that the
16 account is now closed.

17 (c) Moneys held in a college savings account under this act shall only
18 be used as follows:

19 (1) For tuition and fees charged by a public or private postsecondary
20 educational institution located in Kansas; and

21 (2) textbooks and any other curriculum supplies required for any
22 course provided by a public or private postsecondary educational
23 institution located in Kansas.

24 (d) Any moneys remaining in a college savings account that is
25 terminated shall be remitted by the community organization to the school
26 district. Upon receipt, the school district treasurer shall deposit the amount
27 of such remittance in the general fund of the school district.

28 Sec. 7. K.S.A. 2018 Supp. 79-32,117 is hereby amended to read as
29 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual
30 means such individual's federal adjusted gross income for the taxable year,
31 with the modifications specified in this section.

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

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

1 adjusted gross income whether or not included in federal adjusted gross
2 income.

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

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

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

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

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

36 (vii) The amount of any charitable contribution made to the extent the
37 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
38 32,196, and amendments thereto.

39 (viii) The amount of any costs incurred for improvements to a swine
40 facility, claimed for deduction in determining federal adjusted gross
41 income, to the extent the same is claimed as the basis for any credit
42 allowed pursuant to K.S.A. 2018 Supp. 79-32,204, and amendments
43 thereto.

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

7 (x) Amounts received as nonqualified withdrawals, as defined by
8 K.S.A. 2018 Supp. 75-643, and amendments thereto, if, at the time of
9 contribution to a family postsecondary education savings account, such
10 amounts were subtracted from the federal adjusted gross income pursuant
11 to K.S.A. 79-32,117(c)(xv), and amendments thereto, or if such amounts
12 are not already included in the federal adjusted gross income.

13 (xi) The amount of any contribution made to the same extent the
14 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-
15 50,154, and amendments thereto.

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

23 (xiii) The amount of any expenditures claimed for deduction in
24 determining federal adjusted gross income, to the extent the same is
25 claimed as the basis for any credit allowed pursuant to K.S.A. 2018 Supp.
26 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

27 (xiv) The amount of any amortization deduction claimed in
28 determining federal adjusted gross income to the extent the same is
29 claimed for deduction pursuant to K.S.A. 2018 Supp. 79-32,221, and
30 amendments thereto.

31 (xv) The amount of any expenditures claimed for deduction in
32 determining federal adjusted gross income, to the extent the same is
33 claimed as the basis for any credit allowed pursuant to K.S.A. 2018 Supp.
34 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233
35 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-
36 32,248 or 79-32,251 through 79-32,254, and amendments thereto.

37 (xvi) The amount of any amortization deduction claimed in
38 determining federal adjusted gross income to the extent the same is
39 claimed for deduction pursuant to K.S.A. 2018 Supp. 79-32,227, 79-
40 32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments
41 thereto.

42 (xvii) The amount of any amortization deduction claimed in
43 determining federal adjusted gross income to the extent the same is

1 claimed for deduction pursuant to K.S.A. 2018 Supp. 79-32,256, and
2 amendments thereto.

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

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

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

39 (xxi) For taxable years beginning after December 31, 2012, and
40 ending before January 1, 2017, the amount of any deduction for pension,
41 profit sharing, and annuity plans of self-employed individuals under
42 section 62(a)(6) of the federal internal revenue code as in effect on January
43 1, 2012, and amendments thereto, in determining the federal adjusted gross

1 income of an individual taxpayer.

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

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

12 (xxiv) For taxable years commencing after December 31, 2013, that
13 portion of the amount of any expenditure deduction claimed in
14 determining federal adjusted gross income for expenses paid for medical
15 care of the taxpayer or the taxpayer's spouse or dependents when such
16 expenses were paid or incurred for an abortion, or for a health benefit plan,
17 as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of
18 an optional rider for coverage of abortion in accordance with K.S.A. 2018
19 Supp. 40-2,190, and amendments thereto, to the extent that such taxes and
20 assessments are claimed as an itemized deduction for federal income tax
21 purposes.

22 (xxv) For taxable years commencing after December 31, 2013, that
23 portion of the amount of any expenditure deduction claimed in
24 determining federal adjusted gross income for expenses paid by a taxpayer
25 for health care when such expenses were paid or incurred for abortion
26 coverage, a health benefit plan, as defined in K.S.A. 65-6731, and
27 amendments thereto, when such expenses were paid or incurred for
28 abortion coverage or amounts contributed to health savings accounts for
29 such taxpayer's employees for the purchase of an optional rider for
30 coverage of abortion in accordance with K.S.A. 2018 Supp. 40-2,190, and
31 amendments thereto, to the extent that such taxes and assessments are
32 claimed as a deduction for federal income tax purposes.

33 (xxvi) For all taxable years beginning after December 31, 2016, the
34 amount of any charitable contribution made to the extent the same is
35 claimed as the basis for the credit allowed pursuant to K.S.A. 72-99a07,
36 and amendments thereto, and is also claimed as an itemized deduction for
37 federal income tax purposes.

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

39 (i) Interest or dividend income on obligations or securities of any
40 authority, commission or instrumentality of the United States and its
41 possessions less any related expenses directly incurred in the purchase of
42 such obligations or securities, to the extent included in federal adjusted
43 gross income but exempt from state income taxes under the laws of the

1 United States.

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

5 (iii) The portion of any gain or loss from the sale or other disposition
6 of property having a higher adjusted basis for Kansas income tax purposes
7 than for federal income tax purposes on the date such property was sold or
8 disposed of in a transaction in which gain or loss was recognized for
9 purposes of federal income tax that does not exceed such difference in
10 basis, but if a gain is considered a long-term capital gain for federal
11 income tax purposes, the modification shall be limited to that portion of
12 such gain which is included in federal adjusted gross income.

13 (iv) The amount necessary to prevent the taxation under this act of
14 any annuity or other amount of income or gain which was properly
15 included in income or gain and was taxed under the laws of this state for a
16 taxable year prior to the effective date of this act, as amended, to the
17 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
18 the right to receive the income or gain, or to a trust or estate from which
19 the taxpayer received the income or gain.

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

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

27 (vii) Amounts received as annuities under the federal civil service
28 retirement system from the civil service retirement and disability fund and
29 other amounts received as retirement benefits in whatever form which
30 were earned for being employed by the federal government or for service
31 in the armed forces of the United States.

32 (viii) Amounts received by retired railroad employees as a
33 supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and
34 228c (a)(1) et seq.

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

40 (x) For taxable years beginning after December 31, 1976, the amount
41 of the federal tentative jobs tax credit disallowance under the provisions of
42 26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the
43 amount of the targeted jobs tax credit and work incentive credit

1 disallowances under 26 U.S.C. § 280 C.

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

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

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

12 (xiv) For all taxable years commencing after December 31, 1996, that
13 portion of any income of a bank organized under the laws of this state or
14 any other state, a national banking association organized under the laws of
15 the United States, an association organized under the savings and loan
16 code of this state or any other state, or a federal savings association
17 organized under the laws of the United States, for which an election as an
18 S corporation under subchapter S of the federal internal revenue code is in
19 effect, which accrues to the taxpayer who is a stockholder of such
20 corporation and which is not distributed to the stockholders as dividends of
21 the corporation. For taxable years beginning after December 31, 2012, and
22 ending before January 1, 2017, the amount of modification under this
23 subsection shall exclude the portion of income or loss reported on schedule
24 E and included on line 17 of the taxpayer's form 1040 federal individual
25 income tax return.

26 (xv) For all taxable years beginning after December 31, 2006,
27 amounts not exceeding \$3,000, or \$6,000 for a married couple filing a
28 joint return, for each designated beneficiary which are contributed to a
29 family postsecondary education savings account established under the
30 Kansas postsecondary education savings program or a qualified tuition
31 program established and maintained by another state or agency or
32 instrumentality thereof pursuant to section 529 of the internal revenue
33 code of 1986, as amended, for the purpose of paying the qualified higher
34 education expenses of a designated beneficiary at an institution of
35 postsecondary education. The terms and phrases used in this paragraph
36 shall have the meaning respectively ascribed thereto by the provisions of
37 K.S.A. 2018 Supp. 75-643, and amendments thereto, and the provisions of
38 such section are hereby incorporated by reference for all purposes thereof.

39 (xvi) For all taxable years beginning after December 31, 2004,
40 amounts received by taxpayers who are or were members of the armed
41 forces of the United States, including service in the Kansas army and air
42 national guard, as a recruitment, sign up or retention bonus received by
43 such taxpayer as an incentive to join, enlist or remain in the armed services

1 of the United States, including service in the Kansas army and air national
2 guard, and amounts received for repayment of educational or student loans
3 incurred by or obligated to such taxpayer and received by such taxpayer as
4 a result of such taxpayer's service in the armed forces of the United States,
5 including service in the Kansas army and air national guard.

6 (xvii) For all taxable years beginning after December 31, 2004,
7 amounts received by taxpayers who are eligible members of the Kansas
8 army and air national guard as a reimbursement pursuant to K.S.A. 48-
9 281, and amendments thereto, and amounts received for death benefits
10 pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section
11 1 or section 2 of chapter 207 of the 2005 Session Laws of Kansas, and
12 amendments thereto, to the extent that such death benefits are included in
13 federal adjusted gross income of the taxpayer.

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

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

27 (xx) For taxable years beginning after December 31, 2012, and
28 ending before January 1, 2017, the amount of any: (1) Net profit from
29 business as determined under the federal internal revenue code and
30 reported from schedule C and on line 12 of the taxpayer's form 1040
31 federal individual income tax return; (2) net income, not including
32 guaranteed payments as defined in section 707(c) of the federal internal
33 revenue code and as reported to the taxpayer from federal schedule K-1,
34 (form 1065-B), in box 9, code F or as reported to the taxpayer from federal
35 schedule K-1, (form 1065) in box 4, from rental real estate, royalties,
36 partnerships, S corporations, estates, trusts, residual interest in real estate
37 mortgage investment conduits and net farm rental as determined under the
38 federal internal revenue code and reported from schedule E and on line 17
39 of the taxpayer's form 1040 federal individual income tax return; and (3)
40 net farm profit as determined under the federal internal revenue code and
41 reported from schedule F and on line 18 of the taxpayer's form 1040
42 federal income tax return; all to the extent included in the taxpayer's
43 federal adjusted gross income. For purposes of this subsection, references

1 to the federal form 1040 and federal schedule C, schedule E, and schedule
2 F, shall be to such form and schedules as they existed for tax year 2011
3 and as revised thereafter by the internal revenue service.

4 (xxi) For all taxable years beginning after December 31, 2013,
5 amounts equal to the unreimbursed travel, lodging and medical
6 expenditures directly incurred by a taxpayer while living, or a dependent
7 of the taxpayer while living, for the donation of one or more human organs
8 of the taxpayer, or a dependent of the taxpayer, to another person for
9 human organ transplantation. The expenses may be claimed as a
10 subtraction modification provided for in this section to the extent the
11 expenses are not already subtracted from the taxpayer's federal adjusted
12 gross income. In no circumstances shall the subtraction modification
13 provided for in this section for any individual, or a dependent, exceed
14 \$5,000. As used in this section, "human organ" means all or part of a liver,
15 pancreas, kidney, intestine, lung or bone marrow. The provisions of this
16 paragraph shall take effect on the day the secretary of revenue certifies to
17 the director of the budget that the cost for the department of revenue of
18 modifications to the automated tax system for the purpose of
19 implementing this paragraph will not exceed \$20,000.

20 (xxii) For taxable years beginning after December 31, 2012, and
21 ending before January 1, 2017, the amount of net gain from the sale of: (1)
22 Cattle and horses, regardless of age, held by the taxpayer for draft,
23 breeding, dairy or sporting purposes, and held by such taxpayer for 24
24 months or more from the date of acquisition; and (2) other livestock,
25 regardless of age, held by the taxpayer for draft, breeding, dairy or
26 sporting purposes, and held by such taxpayer for 12 months or more from
27 the date of acquisition. The subtraction from federal adjusted gross income
28 shall be limited to the amount of the additions recognized under the
29 provisions of subsection (b)(xix) attributable to the business in which the
30 livestock sold had been used. As used in this paragraph, the term
31 "livestock" shall not include poultry.

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

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

40 (xxv) *For all taxable years beginning after December 31, 2018,*
41 *amounts deposited in a college savings account established on behalf of a*
42 *taxpayer by agreement between a school district and a community*
43 *organization pursuant to section 5, and amendments thereto.*

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

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

10 (f) No taxpayer shall be assessed penalties and interest from the
11 underpayment of taxes due to changes to this section that became law on
12 July 1, 2017, so long as such underpayment is rectified on or before April
13 17, 2018.

14 Sec. 8. K.S.A. 2018 Supp. 79-32,117 is hereby repealed.

15 Sec. 9. This act shall take effect and be in force from and after its
16 publication in the statute book.