



**Legislative Changes and Enactments
Office of Policy and Research**

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Additional Personal Exemption for Disabled Veterans \$2,250

2022 House Bill 2239, Sec 40
K.S.A. 79-32,121
See Notice 23-06

Effective starting Tax Year 2023

Eligibility

- ❖ Honorably discharged - from active service in any branch of the armed forces of the United States.
- ❖ Incurred while on active duty - Disability must be the result of an injury or disease that was incurred while on active duty.
- ❖ Certified by U.S. Dept. of VA Affairs - Disability must be certified by United States Department of Veterans Affairs or its successor. 
- ❖ 100% Disabled - Veteran must be receiving service-connected disability at 100% rate. **CAUTION: DIFFERENT DISABILITY PERCENTAGE THAN WHAT IS USED FOR HOMESTEAD**
- ❖ Permanent - Disability must be permanent.

Research and Development (R&D)

Tax Credit

2022 Legislation, House Bill 2239, Section 41

K.S.A. 79-32,182b

Effective Starting tax year 2023



Credit amount increased from **6.5%** to **10%** of qualified expenditures



Effective for tax year 2023, a **one-time transfer, in its entirety**, will be allowed for taxpayers without a current tax liability. The credit may be transferred to any person and be claimed by the person as a credit against their Kansas income tax liability **in the year of the transfer**. The transferred credit is non-refundable but may be carried forward.

Transfer provision only available for credits earned **after tax year 2022**. (2023 and all years after)

K-204

K-53 Change - Since the R&D credit is now transferable, and may be transferred prior to claiming the credit, taxpayers earning the R&D credit must complete and submit a K-204 Research and Development Credit Application prior to claiming the credit which is available from the Department's website at: www.ksrevenue.gov.

K-53 (Rev. 7-23) **KANSAS** RESEARCH AND DEVELOPMENT CREDIT
For the taxable year beginning _____, 20____, ending _____, 20____

Name of taxpayer (as shown on return) _____ Social Security Number or Employer ID Number (EIN) _____
If partner, shareholder or member, enter name of partner **NEW** Employer ID Number (EIN) _____
Certificate Number _____ Check here if this credit is the result of a transfer credit from an eligible taxpayer

PART A - COMPUTATION OF CREDIT

- Total credit issued by the Department of Revenue (from Tax Credit Certificate) _____ 1.
- Proportionate share percentage (see instructions) _____ 2.
- Your share of credit (multiply line 1 by line 2) _____ 3.
- Amount of available carry forward from prior year's K-53 _____ 4.
- Total tax credit available this year (add lines 3 and 4) _____ 5.
- Total tax liability for this tax year after all credits other than this credit _____ 6.
- Credit this tax year (lesser of line 5 or line 6). Enter here and on the appropriate line of Form K-40, Form K-41, Form K-120 or Form K-120S _____ 7.
- Amount of carry forward allowed (subtract line 7 from line 5) _____ 8.

PART B - COMPUTATION OF ALLOWED CREDIT FOR PRIOR YEAR'S EXPENDITURE



~~**K-53** (Rev. 8-20) **KANSAS** RESEARCH AND DEVELOPMENT CREDIT 191218
For the taxable year beginning _____, 20____, ending _____, 20____~~

~~Name of taxpayer (as shown on return) _____ Social Security Number or Employer ID Number (EIN) _____
If partner, shareholder or member, enter name of partnership, S corporation, LLC or LLP _____ Employer ID Number (EIN) _____~~

~~**PART A - COMPUTATION OF MAXIMUM ALLOWABLE CREDIT FOR THIS YEAR'S EXPENDITURES (C Corporations only)**~~

- Research and development expenditures for **OLD** _____ 1.
 Machinery and Equipment Payroll
- Research and development expenditures for _____
a. first preceding taxable year. _____ 2a.
b. second preceding taxable year, if applicable (see instructions). _____ 2b.
- Total (add lines 1, 2a, and if applicable 2b, and enter the total on line 3; see instructions). _____ 3.
- Average (divide line 3 by 3). This is your average expenditure over the last three years. _____ 4.
- Expenditure amount for credit (subtract line 4 from line 1; cannot be less than zero). _____ 5.
- Total research and development credit (multiply line 5 by 6.5% or .065). _____ 6.
- Maximum allowable credit in any one year (multiply line 6 by 25% or .25). _____ 7.

~~**PART B - COMPUTATION OF ALLOWED CREDIT FOR THIS YEAR'S EXPENDITURES**~~

Apprenticeship Tax Credit

2023 House Bill 2292, Section 3
See Notice 23-04

Effective after December 31, 2022 and ending before January 01, 2026

- ❖ Tax Credit for eligible employer that employs an eligible apprentice.
 - An eligible apprentice complies with the registered apprenticeship agreement that is in accordance with a registered apprenticeship plan.
 - for at least all or a portion of the probationary period, and
 - employs the apprentice at the time the probationary period is completed.
- ❖ Kansas income tax credit up to **\$2,500** for each such apprentice employed, for up to **20 apprentices**.
- ❖ The credit cannot be awarded for employment of the same apprentice more than four (4) times.
- ❖ **Kansas Department of Commerce** will issue the credit amount to the applicants which will be the amount used to claim the credit on the **K-24**.

Nonrefundable and Nontransferable





❖ **Kansas Apprenticeship Tax Credit**

- Up to \$2,750 for each apprentice employed.
- Not to exceed 20 such credits for apprenticeships in any taxable year.

❖ **Additional credit up to \$500**

- An employer may not claim more than 10 of the credits in a tax year.

For tax years commencing after December 31, 2025

Kansas Apprenticeship Tax Credit

- Eligible employer that employs an apprentice pursuant to a registered apprenticeship agreement and in accordance with a registered apprenticeship plan for a continuous period of time that is at 25% of the time period required by the registered apprenticeship program may claim a tax credit.
- The credit must be claimed in the tax year next succeeding the calendar year in which the employment requirement is met and may subsequently be taken in successive tax years based on a cumulative total of up to four successive calendar years of employment for an individual apprentice.

Additional \$500 credit: Criteria

- The apprentice must be enrolled in a secondary or postsecondary career and technical education program;
- is under 18 years of age at the time the credit is claimed;
- has been employed by the eligible employer for at least 90 days;
- is participating in qualifying program;
- the eligible employer may claim an additional Kansas income tax credit not to exceed \$500;
- employer may not claim more than 10 of the credits in a tax year.

Kansas Housing Investor Tax Credit

Income - Privilege - Premium Taxes

2022 Senate Bill 17, sec 9,
K.S.A. 79-32,310 - K.S.A. 79-32,315
Notice 23-07

- ❖ Credit is Administered by the Kansas Housing Resources Corporation
- ❖ Transferability Credits under this credit was expanded

OLD - Transfer once (All or None)

Prior to tax year 2022, the original legislation only allowed a one-time transfer of the credit in its entirety.

NEW – No Limit Transfers

For tax years 2022 and after, the amended legislation places no limit on the number of times a credit may be transferred and no required amount of the credit that must be transferred.

- ❖ Transferee succeeds to all remaining rights and restrictions of the transferor with respect to the credit being transferred.
- ❖ Any credit not taken for the year in which the investment is made, may be carried forward until completely used or **four(4)** years which ever comes first. Documentation of any transfer of such credit must be made in the manner required by the Secretary of Revenue
- ❖ These provisions are applicable to all credits issued for tax year **2022 and all tax years thereafter.**



Low Income Students Scholarship Program Act

2023 House Substitute for Senate Bill 113

K.S.A. 72-4357 in part

See Notice 23-03

Credit is allowed against the income tax liability, privilege tax liability, and premium tax liability.

For tax years commencing after **December 31, 2022**, the credit amount is increased from 70% to **75%** of the amount contributed to a scholarship granting organization.

The total amount of contributions for any taxpayer shall not exceed **\$500,000 for any tax year**. The aggregate amount of credit allowed under this program shall not exceed **\$10,000,000** in any tax year.

Excess credits may be carried forward until the total amount of the credit has been deducted from tax liability.



For a list of Certified Scholarship Granting Organizations visit the Kansas State Department of Education website [SGO Directory.pdf \(ksde.org\)](https://ksde.org)

Aerospace & Aviation Tax Credits

2022 House Bill 2239, Sections 10-15
K.S.A. 79-32,290 to K.S.A. 79-32,295
See Notice 22-10



- ❖ Three (3) Aerospace & Aviation Tax Credit
- ❖ Two (2) tax credits for aviation employers'
- ❖ One (1) tax credit for aviation employees



**EMPLOYER TUITION
REIMBURSEMENT
INCENTIVE**



**EMPLOYER HIRING
INCENTIVE**



**EMPLOYEE
RECRUITMENT**

Effective tax year 2022 - 2026



Tuition Reimbursement

K.S.A. 79-32,291

Employer Income Tax Credit



Effective Tax Years 2022 - 2026

- ❖ **Qualified Employer** - income tax credit for tuition reimbursed to a qualified employee
- ❖ **Qualified employee** - awarded an undergraduate degree or graduate degree, technical degree or certificate from qualified program **within 1 year prior** to or following the commencement of employment with the qualified employer.
- ❖ **Credit** - is **50%** of tuition reimbursed to a qualified employee during the taxable year the credit is claimed, except that in no event shall the credit exceed 50% of the average annual amount paid by a qualified employee for enrollment and instruction in a qualified program, as determined by the secretary of revenue. Credit may be claimed for each year the qualified employee remains employed **up to the 4th year of employment.**
- ❖ Cannot be carried forward, not refundable.



Employer Recruitment

K.S.A. 79-32,292



Employer Credit

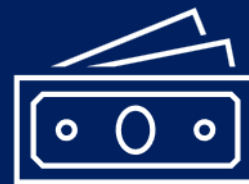
- ❖ Income Tax Credit for Employer Compensation paid to **Qualified Employees**
- ❖ Credit is **10%** of the compensation paid to qualified employees in each of the **first 5 years** of employment, not to exceed **\$15,000 per year, per employee.**
- ❖ Cannot be carried forward, not refundable.

“**Qualified employer**” means a sole proprietorship, general partnership, limited partnership, limited liability company, corporation, other legally recognized business entity or public entity whose principal business activity involves the aviation sector”.



“**Qualified employee**” means any person newly employed on a full-time basis by or first contracting with a qualified employer on a full-time basis on or after January 1, 2022, who has been awarded an undergraduate or graduate degree, or a technical degree or certificate from a qualified program by an institution.

Employee Recruitment



K.S.A. 79-32, 293

Employee Credit

- ❖ **\$5,000** – per year state income tax credit from **2022-2026**
- ❖ Applies to qualified newly hired aviation employees
- ❖ Unused credit may be carried forward and used in any of the four tax (4) years following the year credit was earned.

APEX Program Corporate Income Tax Rate Reduction

2022 House Substitute for Senate Bill 347 Section 11
K.S.A. 79-32,110 and 74-50,321

Attracting Powerful
Economic
Expansion Act
(APEX)



- **Effective tax year 2024, the Corporate Income Tax Rate decreases from 4% to 3.5%.**
- **The Corporate Surtax is unchanged, remains 3% of the Kansas taxable income of corporations in excess of \$50,000.**

SALT Parity Act

2022 House Bill 2239
K.S.A. 79-32,284 to 79-32,289

See Notice 22-16

The State And Local Tax Cap



- ❖ The SALT Parity Act allows S-corporations or Partnerships to make an annual election to be taxed at the entity level. This election results in tax being paid by the pass-through entity with individual partners and shareholding taking credit on their individual K-40s for the taxes paid by the PTE.
- ❖ Pass Through Entities (PTE) making the election have the option to pay tax on the pass-through income before or after apportionment. This election also encompasses nonbusiness income.

K-120S has been modified to allow the inclusion of non-Kansas source income into the tax calculation for PTEs electing to pay tax on income before apportionment.

- ❖ Pass Through Entities (PTE) making the election for 2022 were not required to make estimated tax payments. However, for 2023, the estimated tax payments are required and are due on 4/15/2023, 6/15/2023, 9/15/2023, and 12/15/2023.

SALT Parity Act

2022 House Bill 2239
K.S.A. 79-32,284 to 79-32,289
See Notice 22-16



SALT

The State And Local Tax Cap

- ❖ In Kansas, the election for SALT Parity is made when the K-120S is filed. For 2023, there are basically two elections on the K-120S, the first is to elect SALT Parity, and the second to elect to tax before or after apportionment. **Both elections are irrevocable.**
- ❖ Kansas has no specific legislation regarding owner approval requirements.
- ❖ A nonresident owner or fiduciary who's only source of income from Kansas is from a PTE electing SALT Parity is not required to file a return.
- ❖ The income tax paid to another state by a PTE that is included in Kansas AGI of a resident individual, resident estate, or resident trust shall be considered income paid to another state by such resident individual, resident estate, or resident trust.
- ❖ The K-210 is being revised to account for payments made by the PTE and reported on Line 26 of the K-40.
- ❖ The K-9 must be enclosed with the K-40 or K-41 when the taxpayer is claiming the Credit for Tax Paid on the K-120S.

**SALT Parity Act
2022 Legislation
House Bill 2239
K.S.A. 79-32,284 to 79-32,289
Notice 22-10**

The amount to report on the K-40 or K-41 for the Credit for Taxes Paid on the K-120S is the amount from the 'Kansas Tax @ 5.7%' field on the K-9.

K-9 156222
(7-22) **KANSAS**
STATEMENT OF PARTNERSHIP or S CORPORATE TAX PAID
REPORT FOR THOSE ELECTING TO PAY INCOME TAX ON THE K-120S

TAX YEAR ENDING DATE OF PARTNERSHIP, S CORPORATION, LLC OR LLP _____

PART A – ENTITY INFORMATION

Name of Partnership, S Corporation, LLC OR LLP		Employer ID Number (EIN)
Street Address		Type of Ownership: <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation
City	State	Zip
		<input type="checkbox"/> LLC <input type="checkbox"/> LLP
		<input type="checkbox"/> Other (specify): _____

PART B – OWNER INFORMATION

Name		Social Security Number or EIN of Owner
Street Address		Partner Type of Ownership: <input type="checkbox"/> Resident Individual
City	State	Zip
		<input type="checkbox"/> Nonresident Individual
		<input type="checkbox"/> Fiduciary

PART C – TAXABLE INCOME INFORMATION TO BE CLAIMED ON THE K-41 OR K-40 (See instructions)

Kansas Taxable Income	Kansas Tax @ 5.7%	Non-refundable Credits	Balance	Refundable Credits	Net Tax

Sales Tax Filing Thresholds

2022 Legislation, House Bill 2136, Section 18

See Notice 23-11

K.S.A. 79-3607

Effective January 1, 2024

Annual Tax Liability	Filing Frequency	Return Due Date
\$0 - \$1,000	Annual	On or before January 25th of the following year
\$1,000.01 - \$5,000	Quarterly	On or before the 25 th of the month following the end of the calendar quarter (January 25, April 25, July 25, October 25)
\$5,000.01 or more	Monthly (and Seasonal)	On or before the 25th of the following month (a January return is due by February 25th)

If your business is seasonal, you will file monthly during the period of business operation

SALES TAX

2023 Legislation, House Bill 2002



New Exempt Entities

Area Agencies on Aging (AAOA)

K.S.A. 79-3606 (pppp)

- ❖ Direct Purchases of tangible personal property and services made by a not-for-profit corporation that is designated as an **area agency on aging** by the Secretary for Aging and Disability Services are exempt from sales tax.
- ❖ AAOA may obtain a Project Exemption Certificate (**PEC**) for real property improvements by submitting a completed form PR-76, "Requestion for Project Exemption Certificate", available electronically on the department's website, www.ksrevenue.gov. A PEC exempts contractors & subcontractors from sales tax on the purchase of material and exempts the labor to install them.



Kansas Suicide Prevention HQ, inc. (KSPHQ)

K.S.A. 79-3606 (qqqq)

- ❖ Direct purchase of tangible personal property and services by the KSPHQ are exempt from sales tax.
NOT ELIGIBLE TO OBTAIN A PEC
- ❖ For the purpose of bringing suicide prevention training and awareness to communities across the state.

SALES TAX

2022 House Bill 2136, Section 17
K.S.A. 79-3602
See Notice 23-02

Since July 1, 2023,

DELIVERY CHARGES that are Separately Stated on the invoice to the customer may be excluded from the Sales or Use tax base.



Reduction to State Sales Tax on Food

2022 House Bill 2106, Sec 1
K.S.A. 79-3603d.
See Notice 22-15



Only the State Sales Tax rate is reduced, the local sales tax rate(s) is still applicable

HOMESTEAD

K.S.A.79-4508, K.S.A. 79-32,263

2023

MAXIMUM “HOUSEHOLD INCOME”
Indexed to inflation

HOMESTEAD

\$40,500

- ❖ 55 or older *or*;
- ❖ dependent under 18 *or*;
- ❖ totally & permanently disabled
- ❖ maximum refund **\$700**
- ❖ appraised valuation for property cannot exceed \$350,000 in any year

SAFESR

\$23,700

- ❖ 65 or older;
- ❖ **75% of property taxes paid**
- ❖ property taxes must be timely
- ❖ appraised valuation for property cannot exceed \$350,000 in any year

Homestead and Safe Senior Due date for tax year 2023
April 15, 2024

Homestead Senior and Disabled Veteran Claim (SVR)

2022 House Bill 2239, Section 17
See Notice 23-09
K.S.A. 79-4508a



SVR Qualifications

Base Year Requirements

- ❖ 65 years of age or older for the entire year
- ❖ Disabled Veteran for the entire year
- ❖ Appraised Valuation of Homestead is \$350,000 or less

Claim Year Requirements

- ❖ 65 years of age or older for the entire year
- ❖ Disabled Veteran for the entire year
- ❖ SVR Household Income
 - \$50,000 or less for 2022
 - \$53,600 or less for 2023

Homestead Senior and Disabled Veteran Claim (SVR)

2022 House Bill 2239, Section 17

See Notice 23-09

K.S.A. 79-4508a

"Claimant" means a person who has filed a claim under the provisions of this act and was, during the entire calendar year preceding the year in which such claim was filed for refund under this act, except as provided in K.S.A. 79-4503, and amendments thereto, both domiciled in this state and was: (A) A person who is 65 years of age or older; or (B) a disabled veteran.

The surviving spouse of a person 65 years of age or older or a disabled veteran who was receiving benefits pursuant to this section at the time of the claimant's death shall be eligible to continue to receive benefits until such time the surviving spouse remarries.

Homestead Senior and Disabled Veteran Claim (SVR)

2022 House Bill 2239, Section 17

See Notice 23-09

K.S.A. 79-4508a

Amount of claim is computed by deducting the claimant's base year ad valorem tax amount for the homestead from the claimant's homestead ad valorem tax amount for the tax year in which the refund is being sought.

Base year means the year in which an individual becomes an eligible claimant and who is also eligible for refund pursuant to this section. For any individual who would otherwise be an eligible claimant prior to 2021, such base year shall be deemed to be 2021 for the purposes of this act.

❖ **Interest rate — 8%** Interest rate (**.067 monthly**) for calendar year **2024** on delinquent or unpaid taxes and over payment of taxes.

❖ Kansas law prohibits the seller or lessor in any sales or lease transaction or any credit or debit card issuer from imposing a surcharge on a card holder who elects to use a credit or debit card in lieu of payment by cash, check or similar means. A surcharge is defined as any additional amount imposed at the time of the sales or lease transaction by the merchant, seller or lessor that increases the charge to the buyer or lessee for the privilege of using a credit or debit card. Legislation was introduced last legislative session to repeal this law that did not pass.

“**K.S.A. 16a-2-403. Prohibiting surcharge on credit or debit cards.** No seller or lessor in any sales or lease transaction or any credit or debit card issuer may impose a surcharge on a card holder who elects to use a credit or debit card in lieu of payment by cash, check or similar means. A surcharge is any additional amount imposed at the time of the sales or lease transaction by the merchant, seller or lessor that increases the charge to the buyer or lessee for the privilege of using a credit or debit card.*History: L. 1986, ch. 90, § 2; L. 1999, ch. 107, § 17; L. 2010, ch. 64, § 1; July 1.*”

❖ Notice 23-01 - Minimum age to purchase tobacco products in the State of Kansas is 21 years of age, effective 7/1/23

❖ Alcoholic Beverage Control – 2023 Amendments to Kansas Liquor Law on website.

❖ **Social Security Substantial Gainful Activity**

(for DIS form in homestead booklet).

- Blind **\$29,520**
- Non-Blind **\$17,640**

2023 Disabled Access Credit Limit		
Tax Year	2021	\$15,000
Tax Year	2022	\$15,400
Tax Year	2023	\$16,550

2023 Disabled Access Current Year tax Liability limit for refundable portion of credit		
Tax Year	2021	\$ 3,750
Tax Year	2022	\$ 3,850
Tax Year	2023	\$ 4,100

Earned Income Tax Credit Investment income limit: \$11,000 or less Maximum Credit Amounts		
Number of Children:	I.R.S.	Kansas
0	\$600	\$102
1	\$3,995	\$679.15
2	\$6,604	\$1,122.68
3	\$7,430	\$1,263.10

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