

## Notice 14-10

### Expensing Deduction Available To Financial Institutions

(July 1, 2014)

During the 2014 Legislative Session House Bill 2057 was passed and signed into law. Section 7 of the Bill amends K.S.A. 79-32,143a, which provides for an expense deduction, to permit certain financial institutions to claim the deduction against bank privilege tax liability.

Prior to enactment of this Bill the expense deduction found in K.S.A. 79-32,143a was only available to taxpayers subject to the income tax on corporations. This limitation was found in subsection (h) of the statute. Subsection (h) has been amended, effective for tax year 2014 and subsequent years, and now provides:

(h) (1) For tax year 2013, ~~and all tax years thereafter~~, the deduction allowed by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to subsection (c) of K.S.A. 79-32,110, and amendments thereto, and used only to determine such taxpayer's corporate income tax liability.

(2) For tax year 2014, and all tax years thereafter, the deduction allowed by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to subsection (c) of K.S.A. 79-32,110, and amendments thereto, or the privilege tax imposed upon any national banking association, state bank, savings bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and used only to determine such taxpayer's corporate income or privilege tax liability.

### Taxpayer Assistance

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