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NOTICE 15-08

MODIFICATION FOR CHRISTMAS TREES GROWN IN KANSAS (JULY 1, 2015)

During the 2015 Legislative Session Senate Substitute for House Bill 2109 was passed and signed into law. Section 3 of the Bill amends K.S.A. 79-32,117, which relates to modifications made in computing Kansas adjusted gross income.

The calculation of Kansas income tax begins with federal adjusted gross income. Certain addition and subtraction modifications are then made in order to determine Kansas adjusted gross income. The amendment to K.S.A. 79-32,117 creates a new modification which allows the net gain from the sale of Christmas trees grown in Kansas and held for six (6) years or more to be subtracted from federal adjusted gross income. The amended language, found in subsection (c)(xxiv) of K.S.A. 79-32,117, provides:

> *(xxiv) For all taxable years beginning after December 31, 2013, the net gain from the sale from Christmas trees grown in Kansas and held by the taxpayer for six years or more.*

The new subtraction modification found in amended K.S.A. 79-32,117(c)(xxiv) applies to tax year 2014 and later years. It can be claimed on an amended 2014 income tax return by entering on Schedule S the amount of net gain from sale of qualifying Christmas trees (as described in new 79-32,117(c)(xxiv)). A copy of federal Schedule 4797 should be included with the amended return.

Taxpayer Assistance

Additional copies of this notice, forms or publications are available from our web site, **www.ksrevenue.org**. If you have questions about this Notice, please contact:

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