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## NOTICE 21-16

### PRIVILEGE TAX Subtraction of Federal Deposit Insurance Corporation Premiums

(JULY 1, 2021)

During the 2021 Legislative Session Senate Bill 50 was passed and signed into law. Section 11 amends subsection (c) of K.S.A. 79-32,138, to add a new subtraction modification for the calculation of taxable income. The new subtraction modification is for Federal Deposit Insurance Corporation premiums that have been disallowed at the federal level. Specifically, subsection (c) of the statute is amended to provide:

(c) There shall be subtracted from federal taxable income:

(vi) for all taxable years commencing after December 31, 2020, the amount disallowed as a deduction pursuant to section 162(r) of the federal internal revenue code of 1986, as in effect on January 1, 2018.

It is important to note this subtraction modification will only affect those taxpayers that are filing Kansas privilege tax returns.

#### TAXPAYER ASSISTANCE

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

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