

NOTICE 12-09

RECENT CHANGES DO NOT AFFECT CORPORATE INCOME TAX

During the 2012 Legislative Session House Bill 2117 was passed and signed into law. Despite a multitude of changes, many of which are effective beginning with tax year 2013, the Bill did not make any changes to the corporate income tax rates or credits available to C corporations.

The income of C corporations will continue to be taxed at the rates currently imposed by K.S.A. 79-32,110(c), which are the normal tax of 4% on the first \$50,000 of taxable income and the 3% surtax on Kansas taxable income in excess of \$50,000.

Under current law the Kansas taxable income of a C corporation is determined by applying the same modifications as those available to an individual under K.S.A. 79-32,117(b) and (c). Section 12 of HB 2117 adds new addition modifications in subsections (b)(xix), (xx), (xxi), (xxii) and (xxiii), and a new subtraction modification in subsection (c)(xx). These modifications relate to business income and losses. However, Section 16 of the Bill amends K.S.A. 79-32,138 to specifically provide that these new addition and subtraction modifications do not apply to corporations subject to the Kansas corporate income tax. As a result, the modifications used for computing the Kansas corporate income tax will not change.

Taxpayer Assistance

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

Taxpayer Assistance Center
Kansas Department of Revenue
915 SW Harrison St., 1st Floor
Topeka, KS 66612-1588
Phone: 785-368-8222
Hearing Impaired TTY: 785-296-6461
Fax: 785-291-3614