**Private Letter Ruling**

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| **Ruling Number:** | **P-2000-048** |

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| **Tax Type:** | **Individual Income Tax** |
| **Brief Description:** | **Distribution from IRAs, either in a cash distribution from an IRA or in the conversion of an IRA into a Roth IRA.** |
| **Keywords:** |  |
| **Approval Date:** | **09/26/2000** |

**Body:**

Office of Policy & Research

September 26, 2000

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Dear XXXXXXXX

This letter is in response to your letter dated August 17, 2000.

Kansas follows the federal tax treatment of distributions from Individual Retirement Accounts (IRA), including Roth IRA’s. If the distribution is included in federal taxable income, then the income is likewise included in Kansas taxable income. Kansas does not allow a taxable IRA distribution to be modified from Kansas taxable income based the source of the income within the IRA. The basis of this position is that for Federal purposes the distributions are treated as income or non-income items. You ask if the IRA proceeds that are attributable to interest from U.S. obligations would be exempt from Kansas income tax. IRA distributions are income to the individual and do not retain the characteristics or status of the type of investment that the IRA funds had been invested in. Therefore, those amounts would also be included in Kansas taxable income without exclusion.

I am not aware of any Kansas court cases on this matter.

This is a private letter ruling pursuant to K.A.R. 92-19-59. It is based solely on the facts provided in your request. If it is determined that undisclosed facts were material or necessary to an accurate determination by the department, this ruling is null and void. This ruling will be revoked by operation of law without further department action if there is a change in the controlling statutes, administrative regulations, revenue rulings or case law that materially effects this determination.

Sincerely,

Mark D. Ciardullo
Tax Specialist

**Date Composed: 09/28/2000 Date Modified: 10/10/2001**