**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-86** |

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| **Tax Type:** | **Individual Income Tax** |
| **Brief Description:** | **Interest income from any state or municipal obligations such as bonds and mutual funds.** |
| **Keywords:** |  |
| **Approval Date:** | **03/22/1999** |

**Body:**

Office of Policy & Research

March 22, 1999

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Dear Mr. TTTTTT:

We wish to acknowledge receipt of your letter dated March 2, 1999, regarding the imposition of Kansas Income Tax.

Interest income received, credited, or earned by you during the taxable year from any state or municipal obligations such as bonds and mutual funds would be subject to Kansas Income Tax. You may reduce the income amount by any related expenses (such as management or trustee fees) directly incurred in purchasing these state or political subdivision obligations. However, interest income received, credited, or earned on obligations of the state of Kansas or any political subdivision thereof issued after December 31, 1987, [See K.S.A. 79-32,117i(i)], or the following Bonds exempted by Kansas law should not be included in your Kansas taxable income:

Kansas Turnpike Authority Bonds

Board of Regents Bonds for Kansas Colleges and Universities

Urban Renewal Bonds

Industrial Revenue Bonds

Kansas Highway Bonds

In closing, if you are a shareholder in a fund that invests in both Kansas and other states’ bonds, only the interest received, credited, or earned on Kansas bonds issued after December 31, 1987 is exempt from Kansas Income Tax. Kindly, use the information provided by your fund administrator to determine the amount of bond interest subject to Kansas Income Tax.

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 in the future by the operation of law without further department action if there is a change in the statutes, administrative regulations, or case law, or published revenue ruling, that materially affects this private letter ruling. If I may be of further assistance, please contact me at your earliest convenience at (785) 296-7776.

Sincerely yours,

Thomas P. Browne, Jr.
Tax Specialist

TPB

**Date Composed: 04/02/1999 Date Modified: 10/10/2001**