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STATE OF KANSAS
STATE COMMISSION OF REVENUE AND TAXATION
TOPEKA

November 20, 1940

Mr. Dolph Simons
1509 Massachusetts
Lawrence, Kansas

Re: File #28269

Dear Sir:

We have your letter of November 19, 1940, in which it is suggested that gain realized on the liquidation of the J. C. Gafford Estate, as reported for 1939, should be limited to 60 per cent of $1,043.22.

The Kansas Income Tax Law, as regards gain realized in liquidation, does not follow the Federal. Section 13 (d) of the Kansas law (referring to distributions in liquidation) provides in part as follows: ".... Despite the provisions of section 16 (a) as amended herein, 100 per cent of the gain shall be taken into account in computing net income."

It, therefore, appears that the full amount of gain realized was properly included in your return.

Very truly yours,

COMMISSION OF REVENUE AND TAXATION

J. D. Eason

Income Tax Division

JDE:AM

ADDRESS REPLY TO INCOME TAX DIVISION