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300 SW TENTH AVENUE • SUITE 24-E • TOPEKA, KS 66612 • (785) 296-2321

MEMORANDUM

To: Senate Committee on Financial Institutions and Insurance
From: Amelia Kovar-Donohue, Assistant Revisor
Date: January 21, 2020
Subject: Senate Bill No. 259 – Illustration of Formula

Below is an illustration of the formula in Senate Bill No. 259, subsection (c) definitions:

“(4) ‘net interest income received from business loans’ means the product of the ratio of the interest income earned on business loans over total interest income earned, in relation to the net income of the national banking association, state bank, trust company or savings and loan association without regard to this deduction;”

Net interest income received from business loans = $\frac{\text{Interest income earned on business loans}}{\text{Total interest income earned}}$ x Net income without regard to this deduction