

Kansas Tax Facts

Eighth Edition



December 2010

Kansas Legislative Research Department
300 S.W. Tenth Avenue—Room 68-W
Phone: (785) 296-3181/FAX (785) 296-3824
Topeka, Kansas 66612-1504

kslegres@klrd.ks.gov ❖ <http://skyways.lib.ks.us/ksleg/KLRD/klrd.html>

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A Reference Booklet on State and Local Taxes

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FOREWORD

The Seventh Edition of *Kansas Tax Facts* was published in December, 2000. Information on significant tax developments over the last decade may be found in the annual “Kansas Tax Facts Supplements” and in the “Summary of Legislation” publications available at <http://skyways.lib.ks.us/ksleg/KLRD/summaries.htm>

Chris W. Courtwright, Principal Economist, is responsible for this publication.

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PART I - SUMMARY OF STATE AND LOCAL TAX STRUCTURE

Introduction

The first edition of Kansas Tax Facts was published in 1962, and the seventh edition came out in 2000. Since then, there have been a number of important developments affecting the state and local tax structure, especially with respect to the three principal sources of tax revenue – property, sales and use, and income taxes.

During the 2000-2010 period, notable property tax legislation included a major property tax exemption for owners of commercial and industrial machinery and equipment; and significant expansion of the Homestead Property Tax Relief program.

The statewide sales tax rate was increased twice (in 2002 and 2010), and the Legislature repeatedly expanded local sales tax authority. A number of new sales tax exemptions also were enacted which affected the state and local sales tax bases.

Income tax changes over the last decade included a reduction in the top corporate rate and a continued proliferation in the number of income tax credits.

Combined State and Local Tax Revenue

Kansas state and local government net tax revenue totaled \$11.521 billion in FY 2010, which equated to \$4,087 per capita and to 10.41 percent of Kansas personal income in CY 2009. Following are the tax levies or collections, combining state and local tax revenue, in descending order of magnitude for FY 2010.

Table 1
Kansas State and Local Taxes
(In Thousands)

	FY 2008	FY 2009	FY 2010	% FY 10 Total	% Change from FY 09
General Property (a)	\$ 3,765,993	\$ 3,953,527	\$ 3,996,442	34.69%	1.09%
Sales and Use (b)	3,126,006	3,019,908	2,944,083	25.55%	(2.51)%
Inc and Privilege	3,410,089	2,998,010	2,699,159	23.43%	(9.97)%
Motor Fuels	431,307	421,272	424,571	3.69%	0.78%
Various Vehicle (a) (c)	336,165	346,570	338,873	2.94%	(2.22)%
Unemp Comp	223,271	171,035	305,645	2.65%	78.70%
Veh Reg	189,238	195,721	205,239	1.78%	4.86%
Ins Premiums	133,913	128,554	138,769	1.20%	7.95%
Liquor and Beer	106,339	111,553	111,361	0.97%	(0.17)%
Cig and Tobacco	118,253	112,944	106,181	0.92%	(5.99)%
Severance	159,325	133,601	93,783	0.81%	(29.80)%
Corp Franchise	46,659	41,720	41,462	0.36%	(0.62)%
Mort Reg	50,679	41,563	41,397	0.36%	(0.40)%
Transient Guest	31,437	32,084	29,129	0.25%	(9.21)%
Motor Carrier Property	29,032	29,257	24,993	0.22%	(14.57)%
Estate/Inh	44,247	22,530	8,396	0.07%	(62.73)%
Intangibles (a)	3,382	4,326	3,645	0.03%	(15.74)%
Parimutuel	1,946	262	13	0.00%	(95.04)%
All Other (d)	8,763	7,921	7,879	0.07%	(0.53)%
Total	\$ 12,216,044	\$ 11,772,358	\$ 11,521,020	100.00%	(2.13)%

(a) Taxes levied for collection during the fiscal year.

(b) Includes state, county, city, municipal university, and other special district sales and use taxes.

(c) Includes motor vehicle, recreational vehicle, 16m and 20m "tagged" vehicles, and rental car excise taxes.

(d) Total revenue from nine taxes, the largest of which for FY 2010 was the clean water drinking tax at \$2.873 million

State and Local Tax Structure – Overview

Kansas has had a broad-based state and local tax structure since the 1930s when income, sales, and other taxes were adopted. The broadening continued—at least through the 1980s—with the adoption of various privilege, gross receipts, and severance taxes. One result of these changes is that the general property tax, while still by far the most important tax source for local governments, now is far less significant in terms of the overall state and local tax mix.

The 1992 school finance law substantially altered school district property taxes. In 1991, school district general fund property tax levies ranged from 9.12 mills (Burlington) to 97.69 mills (Parsons). The 1992 law established a uniform general fund mill levy rate of 32 mills for 1992, 33 mills for 1993, and 35 mills for 1994 and thereafter. Beginning in 1997, the Legislature provided major reductions in the general fund levy—which currently is set at 20 mills—in addition to an exemption from that levy for residential property to the extent of the first \$20,000 of its valuation.

Highlights

- In FY 2010, total state and local tax revenue in Kansas was \$11.521 billion, with state taxes accounting for \$6.360 billion—or about 55.2 percent—of the total. State and local taxes fell by 2.13 percent below the FY 2009 figure of \$11.772 billion. State taxes decreased by about \$281 million, or 4.23 percent, from FY 2009 to FY 2010, while local taxes increased by \$29 million, or 0.57 percent.
- Local governments continue to spend most of the state and local tax revenue. In FY 2010, local government tax revenue was \$5.161 billion; and local units received another \$3.152 billion from state taxes allocated to or shared with them. Thus, local units received \$8.313 billion, or about 72 percent, of total state and local taxes in FY 2010. Over 59 percent of the state's tax revenue was shared with or allocated to local units, mostly for education.
- While the general property tax is still the most important single revenue producer, its proportion of total state and local taxes has steadily declined over the decades—from 82 percent of the total in FY 1930, to 56 percent in FY 1960, and to 35 percent in FY 2010 (or about 38 percent if the various vehicle taxes, which are levied in lieu of the general property tax, are included). But the trend has reversed itself recently, since in FY 1998 the general property tax was only about 27 percent of the burden (or 31 percent if vehicle taxes were included).
- Income and privilege taxes accounted for 23 percent of state and local tax revenue in FY 2010, compared with 11 percent in FY 1970 and only 2 percent in FY 1940. These taxes were at about 27 percent of the total in FY 2001 but fell as low as 22 percent in FY 2003 and FY 2004 in the wake of the national recession. The figure also was back at 28 percent in FY 2008 before the impact of the most recent recession.

- Sales and use tax revenue over the decades also has been increasing significantly as part of the state-local tax mix, *i.e.*, rising from 10 percent of the total in FY 1940, to 16 percent in FY 1970, and to about 26 percent in FY 2010. The spread of local sales taxes has contributed significantly to the growth of sales tax revenue since 1970.
- State and local tax revenue in FY 2010 was 10.41 percent of CY 2009 Kansas personal income. Historically, this figure has remained remarkably constant. (The ratio was 14.63 percent in FY 1940; 11.64 percent in FY 1970; and 11.55 percent in FY 1990). The following table provides the data for the last seven fiscal years.

Taxes as Percent of Personal Income

	State	Local	Both
FY 2004	6.52%	4.59%	11.11%
FY 2005	6.76	4.73	11.48
FY 2006	7.18	4.92	12.10
FY 2007	7.12	4.87	11.98
FY 2008	6.87	4.78	11.65
FY 2009	5.92	4.57	10.49
FY 2010	5.75	4.66	10.41

- The rate of growth in overall local taxes decelerated significantly in FY 2010, including the rate of growth in local property taxes. Local property taxes in FY 2010 increased by \$43 million. Of this amount, schools accounted for \$22 million of the increase. Local property taxes in FY 2009 increased by \$186 million. Of this amount, schools accounted for \$91 million of the increase. Local property taxes in FY 2008 increased by \$183 million. Of this amount, schools accounted for \$80 million of the increase. Property taxes in FY 2007 had increased by about 7.7 percent, or \$254 million, with schools accounting for \$101 million of the increase.
- It should be noted that while the courts have held that the mandatory school district general fund property tax levy is a state tax, it is primarily treated as a local tax for the maintenance of historical tax tables. The relatively small portion of “excess” local effort that is recaptured for deposit in the State School District Finance Fund is treated as a state tax receipt.

State Tax Revenue

In FY 2010, state tax revenue totaled \$6.360 billion, which was a decrease of \$281 million, or 4.23 percent below collections in FY 2009. FY 2009 receipts had decreased \$565 million, or 7.84 percent below FY 2008 collections. FY 2008 receipts had increased over FY 2007 receipts by \$191 million, or 2.72 percent. FY 2007 receipts had been up \$494 million, or 7.57 percent above FY 2006 receipts. FY 2006 receipts had grown by \$632 million, or 10.74 percent above FY 2005 collections. Receipts in FY 2005 had grown by \$425 million, or 7.78 percent, above FY 2004. (Total state tax collections had declined in two of the previous four fiscal years prior to FY 2003 and likely would have declined in FY 2003 but for

the enactment of an estimated \$295 million in new taxes by the 2002 Legislature. State tax collections grew by 6.3 percent in FY 2004.)

Individual income taxes fell by \$274 million in FY 2010 after having fallen by \$213 million in FY 2009. The prior three fiscal years, individual income taxes had grown by \$200 million, \$344 million, and \$321 million in FY 2008, FY 2007, and FY 2006, respectively.

For FY 2010, Table 3 shows state tax revenues in descending order of importance and how much of such revenue was credited to the State General Fund (SGF) and to other state funds. In that year, 78.39 percent went to the SGF and 21.61 percent was deposited in other funds.

Individual income taxes, corporation income taxes, and sales and use taxes accounted for over 90 percent of SGF tax receipts in FY 2010. The same four sources comprised just over 80 percent of SGF taxes in FY 1985.

State and Local Taxes

The relative balance in the big three sources of state and local tax revenue – sales, income, and property – that Kansas had achieved for a number of years after the 1992 school finance law appears to have eroded slightly since the late 1990s. (In FY 1992 – prior to the implementation of that law – property and vehicle taxes comprised 38.7 percent of total state and local revenues; sales and use taxes, 22.7 percent; and income and privilege taxes, 21.1 percent.)

In FY 2010, property and vehicle taxes accounted for 37.6 percent of the burden; sales and use taxes, 25.6 percent; and income and privilege taxes, 23.4 percent. As recently as FY 1998, the figures were much more closely balanced: 30.9 percent for property and vehicles; 28.1 percent for sales and use; and 28.0 percent for income and privilege.

Economists generally believe that with a diversified revenue portfolio not relying too heavily on a single source, Kansas state and local governments are better able to withstand economic downturns. Indeed, the Governor's Tax Equity Task Force in 1995 concluded as a major tax policy objective that:

The state and local tax system should be balanced and diversified. A diversified tax system offers a blend of economic tradeoffs. Because all revenue sources have their weaknesses, a balanced tax system will reduce the magnitude of problems caused by over reliance on a single tax source. It will also result in lower rates on each tax and reduce the pressure of competition from other states that have lower rates for a particular tax.

Shown below for the last nine years are state, local, and combined state and local tax revenues.

State and Local Tax Revenue
(In Thousands)

Fiscal Year	State	Percent Change	Local	Percent Increase	State and Local	Percent Change
2002	\$ 4,905,300	(3.63)%	\$ 3,493,328	8.59%	\$ 8,398,626	1.11%
2003	5,141,714	4.82	3,632,124	3.97	8,773,839	4.47
2004	5,470,064	6.39	3,852,334	6.06	9,322,398	6.25
2005	5,888,881	7.66	4,119,260	6.93	10,008,141	7.36
2006	6,521,366	10.74	4,470,137	8.52	10,991,503	9.83
2007	7,014,817	7.57	4,796,364	7.30	11,811,181	7.46
2008	7,205,627	2.72	5,010,417	4.46	12,216,044	3.43
2009	6,640,963	(7.84)	5,131,395	2.41	11,772,358	(3.63)
2010	6,360,275	(4.23)	5,160,745	0.57	11,521,020	(2.13)

Comparative Kansas Tax Burden

The table shows ordinal state rankings (1 to 51, including the District of Columbia) for Kansas and neighboring states for the two major tax burden comparisons (taxes as a percent of personal income or per capita). Relative to the 50-state ranking, Kansas finished number 27 in state tax revenue as a percent of personal income; and number 23 in per capita state tax revenue in FY 2009, the latest year for which data are available from all states for such statistics. Kansas finished number 20 in per capita state and local collections; and number 18 in state and local collections as a percent of personal income in FY 2008, the latest data for these statistics. Economic development proponents sometimes suggest that the Kansas tax burden figures should be compared more closely with the data from surrounding states. The following table provides this comparison.

50-State Tax Burden Ranking of Kansas and Surrounding States
(1 = highest tax burden; 50 = lowest)

	FY 2009 State Taxes as Percent of Personal Income	FY 2009 State Taxes Per Capita	FY 2008 State and Local as Percent of Personal Income (a)	FY 2008 State and Local Per Capita (a)
Arkansas	7	16	38	51
Oklahoma	24	31	37	42
Kansas	27	23	18	20
Nebraska	34	30	21	19
Iowa	25	25	15	23
Missouri	43	42	46	47
Colorado	49	41	36	17

(a) Total state and local tax collections, excluding federal transfers

Source: U.S. Census Bureau

Selected Surrounding State Tax Rate Comparison

State Sales Tax Rates and Tax Treatment of Groceries, 7/1/2010

	Rate	Groceries
Kansas	6.3	6.3
Missouri	4.225	1.225
Nebraska	5.5	exempt
Oklahoma	4.5	4.5
Colorado	2.9	exempt

Selected Individual Income Tax Bracket Features (Tax Year 2010)

	Lowest Bracket	Highest Bracket	# of Brackets
Kansas	3.5	6.45	3
Missouri	1.5	6	10
Nebraska	2.56	6.84	4
Oklahoma	0.5	5.5	7
Colorado	4.63	4.63	1

Selected Corporation Income Tax Bracket Features (Tax Year 2010)

	Lowest Bracket	Highest Bracket	# of Brackets
Kansas	4	7	2
Missouri	6.25	6.25	1
Nebraska	5.58	7.81	2
Oklahoma	6	6	1
Colorado	4.63	4.63	1

State Motor Fuel Tax Rates in cents per gallon (as of 1/1/2010)

	Gasoline	Diesel
Kansas	24.00	26.00
Missouri	17.55	17.55
Nebraska	27.70	27.10
Oklahoma	17.00	14.00
Colorado	22.00	20.50

State Cigarette Tax Rates in dollars per pack (as of 1/1/2010)

Kansas	0.79
Missouri	0.17*
Nebraska	0.64
Oklahoma	1.03
Colorado	0.84

*Missouri allows additional local taxes.

Recommended Tax Policy Objectives

The aforementioned Governor's Tax Equity Task Force in 1995 recommended that all tax legislation "be evaluated with the following objectives in mind."

- Kansas should maintain its enviable reputation as a fiscally responsible state.
- A tax system should produce revenues that are adequate to finance an agreed-upon level of public services over time.
- A tax system should produce adequate revenue during economic downturns and also respond to economic growth.
- State and local taxing and spending decisions should be consistent with economic growth and development.
- Administration of the tax system should be fair and efficient.
- Fiscal accountability should be strengthened by making taxpayers aware of their true tax liabilities.
- Tax revisions should not unduly erode the tax base.
- State fiscal policy should advance the interests of the state as a whole, while facilitating the fiscal autonomy of local governments.
- Policymakers must recognize that tax policy influences economic behavior, and not always in the desired manner.
- Kansans should be able to rely upon a stable tax policy.
- The state and local tax system should be balanced and diversified.

TABLE 2

**State Tax Revenue, Net Refunds, FY 2005-FY 2010
(In Thousands)**

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Property						
Educational Bldg. (1)	\$ 25,491	\$ 26,901	\$ 29,143	\$ 30,215	\$ 31,207	\$ 30,517
Institutional Bldg. (1)	12,746	13,450	14,572	15,108	15,603	15,258
State General	538	55	26	18	10	4
Mortgage Regis. (2)	1,145	1,204	1,258	1,093	1,008	1,087
Motor Carrier	20,404	22,056	25,812	29,032	29,257	24,993
Various Vehicle (3)	4,500	4,621	4,704	4,778	4,819	4,728
Excess Local Effort (4)	3,640	4,526	6,170	3,700	3,500	4,449
Total	<u>\$ 68,464</u>	<u>\$ 72,813</u>	<u>\$ 81,685</u>	<u>\$ 83,944</u>	<u>\$ 85,404</u>	<u>\$ 81,036</u>
Income and Privilege						
Individual	\$ 2,079,782	\$ 2,401,129	\$ 2,744,934	\$ 2,944,851	\$ 2,731,560	\$ 2,457,704
Corporation	226,040	350,204	442,324	432,078	240,258	224,940
Financial Inst.	22,013	31,058	31,126	33,160	26,192	16,515
Total	<u>\$ 2,327,835</u>	<u>\$ 2,782,388</u>	<u>\$ 3,218,384</u>	<u>\$ 3,410,089</u>	<u>\$ 2,998,010</u>	<u>\$ 2,669,159</u>
Inheritance/Estate (5)	\$ 51,803	\$ 51,784	\$ 55,620	\$ 44,247	\$ 22,530	\$ 8,396
Sales, Use, and Excise						
Retail Sales	\$ 1,747,774	\$ 1,844,744	\$ 1,934,390	\$ 1,983,594	\$ 1,958,999	\$ 1,918,397
Compensating Use	257,412	282,853	307,635	281,153	268,182	234,873
Subtotal	<u>\$ 2,005,186</u>	<u>\$ 2,127,597</u>	<u>\$ 2,242,025</u>	<u>2,264,747</u>	<u>2,227,181</u>	<u>2,153,270</u>
Motor Fuels	425,556	428,166	434,047	431,307	421,272	424,571
Vehicle Registration (6)	161,394	162,714	169,867	168,822	174,952	185,034
Cereal Malt Beverage	2,077	2,090	2,091	2,228	2,089	1,989
Liquor Gallonage	16,493	17,508	17,901	18,474	19,140	18,869
Liquor Enforcement	41,904	44,234	47,138	49,983	53,794	54,827
Liquor Drink	29,492	31,450	33,834	35,654	36,530	35,676
Cigarette	118,939	117,899	115,282	112,705	107,216	99,829
Tobacco Prod.	5,039	5,093	5,305	5,548	5,728	6,352
Corporation Franchise	47,085	46,880	47,892	46,659	41,720	41,462
Boat Registration	869	992	1,038	992	1,078	1,087
Severance	111,147	143,476	124,758	159,325	133,601	93,783
New Tires	719	692	711	707	677	681
Motor Vehicle Rental	2,761	2,862	3,361	3,366	3,396	3,126
Drycleaning & Laundry	1,274	1,205	1,242	1,178	1,103	993
Clean Water	2,509	3,285	3,535	3,226	2,905	2,873
Total	<u>\$ 2,972,444</u>	<u>\$ 3,136,143</u>	<u>\$ 3,250,027</u>	<u>\$ 3,304,921</u>	<u>\$ 3,232,382</u>	<u>\$ 3,124,422</u>

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Gross Receipts						
Insurance Premiums						
Foreign Cos. (7)	\$ 91,409	\$ 94,471	\$ 96,862	\$ 102,800	\$ 92,843	\$ 100,173
Domestic Cos.	16,272	18,708	17,941	15,825	19,840	21,720
Firefighter Relief	8,759	8,969	9,267	9,393	9,679	10,291
Fire Marshal	5,588	5,671	5,771	5,895	6,192	6,585
Subtotal	<u>\$ 122,028</u>	<u>\$ 127,819</u>	<u>\$ 129,841</u>	<u>\$ 133,913</u>	<u>\$ 128,554</u>	<u>\$ 138,769</u>
Private Car Cos.	\$ 812	\$ 883	\$ 892	\$ 851	\$ 512	\$ 385
Music-Dramatic Tax	22	20	57	30	36	38
Bingo Enforcement	585	583	535	500	515	454
Transient Guest (8)	457	483	531	636	628	590
Parimutuel	3,210	3,004	2,758	1,946	262	13
Illegal Drugs	869	849	1,047	1,176	1,060	1,338
Combative Arts (9)	0	35	45	103	35	30
Total	<u>\$ 127,983</u>	<u>\$ 133,676</u>	<u>\$ 135,706</u>	<u>\$ 5,242</u>	<u>\$ 3,048</u>	<u>\$ 2,848</u>
Unemployment Comp.	\$ 340,352	\$ 344,562	\$ 273,395	\$ 223,271	\$ 171,035	\$ 305,645
TOTAL STATE TAXES	<u>\$ 5,888,881</u>	<u>\$ 6,521,366</u>	<u>\$ 7,014,817</u>	<u>\$ 7,205,627</u>	<u>\$ 6,640,963</u>	<u>\$ 6,360,275</u>

Sources: Financial reports of the Division of Accounts and Reports and records of tax-collecting agencies. Details might not add to totals due to rounding.

1. Taxes levied for collection in the fiscal year as reported by the Department of Revenue, including the state's small share (if any) of certain in-lieu tax levies.
2. The state's 1/26 share of the tax.
3. Amount received by the state from the motor, recreational, and 16m and 20m "tagged" vehicle taxes.
4. "Excess local effort" produced from the mandatory school district general fund property tax levy and returned to the state pursuant to the school finance formula (see KSA 2010 Supp. 72-6431).
5. For FY 2003, includes \$2.237 million in succession tax collections; and for FY 2004, includes \$2.898 million in succession tax refunds.
6. State receipts only, excluding amounts retained by county treasurers.
7. Includes retailatory taxes.
8. State's 2 percent share of the tax.
9. Created by the Kansas Professional Regulated Sports Act, enacted in 2004.

TABLE 3

**Allocation to Funds of Total State Tax Revenue
(Net of Refunds) FY 2010
(In Thousands)**

	Amount	Percent of Total	Cumulative Percent	Taxes Credited to:	
				SGF	Other Funds
Individual Income	\$ 2,457,704	38.64%	38.64%	\$ 2,418,208	\$ 39,496
Retail Sales	1,918,397	30.16	68.80	1,652,037	266,360
Motor Fuels	424,571	6.68	75.48	-	424,571
Unemployment Compensation	305,645	4.81	90.42	-	305,645
Compensating Use	234,873	3.69	79.17	205,540	29,333
Corporation Income	224,940	3.54	82.71	224,940	-
Motor Vehicle Registration	185,034	2.91	85.62	-	185,034
Insurance Premiums	138,769	2.18	92.61	120,375	18,394
Cigarette and Tobacco	106,181	1.67	94.27	106,181	-
Liquor and Beer	111,361	1.75	96.03	83,699	27,662
Oil Severance	47,621	0.75	97.50	41,882	5,739
Gas Severance	46,162	0.73	96.75	39,988	6,174
State Property	45,779	0.72	98.22	4	45,775
Corporation Franchise	41,462	0.65	98.87	41,462	-
Motor Carrier Property	24,993	0.39	99.26	24,993	-
Financial Institutions Privilege	16,515	0.26	99.52	16,515	-
Estate/Inheritance	8,396	0.13	99.66	8,396	-
State Motor Vehicle	4,549	0.07	99.73	-	4,549
Excess Local Effort (Property)	4,449	0.07	99.80	-	4,449
Vehicle Rental Excise	3,126	0.05	99.85	-	3,126
Water	2,873	0.05	99.89	-	2,873
Illegal Drugs	1,338	0.02	99.95	335	1,003
Boat Registration	1,087	0.02	99.92	-	1,087
State Mortgage Reg.	1,087	0.02	99.96	-	1,087
Drycleaning	993	0.02	99.91	-	993
New Tires	681	0.01	99.97	-	681
State Transient Guest	590	0.01	99.98	590	-
Bingo	454	0.01	99.99	303	151
Private Car Co.	385	0.01	100.00	385	-
State Tagged Vehicle	125	0.00	100.00	-	125
State Rec. Vehicle	54	0.00	100.00	-	54
Music, Dramatic	38	0.00	100.00	38	-
Combative Arts	30	0.00	100.00	-	30
Parimutuel	13	0.00	100.00	-	13
Total	\$ 6,360,275	100.00%		\$ 4,985,870	\$ 1,374,405
				78.39%	21.61%

TABLE 4

**Local Government Tax Revenue, FY 2005-FY 2010
(In Thousands)**

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Counties						
Tangible Property (1)	\$ 862,537	\$ 930,828	\$ 998,314	\$ 1,044,608	\$ 1,091,024	\$ 1,092,163
Intangibles (2)	1,101	1,171	1,319	1,640	1,901	1,695
Mortgage Registration (3)	50,547	54,613	50,522	49,586	40,555	40,310
Motor Vehicle Registration (3)	14,017	13,936	13,847	20,416	20,769	20,205
Transient Guest	1,223	1,436	1,641	1,984	2,202	2,055
Various Vehicle (4)	99,961	105,294	105,946	108,972	110,505	110,123
Sales and Use	357,153	452,328	501,037	488,320	428,481	422,739
Subtotal-Counties	\$ 1,386,539	\$ 1,559,606	\$ 1,672,626	\$ 1,715,526	\$ 1,695,437	\$ 1,689,290
Cities						
Tangible Property (1)	\$ 607,241	\$ 638,071	\$ 676,378	\$ 718,474	\$ 761,859	\$ 766,064
Intangibles (2)	861	898	897	866	1,182	925
Transient Guest	21,158	22,242	23,789	28,817	29,254	26,484
Various Vehicle (4)	68,749	72,197	73,536	74,533	75,138	74,289
Sales and Use	300,442	309,776	315,998	335,577	325,301	330,012
Subtotal-Cities	\$ 998,451	\$ 1,043,184	\$ 1,090,598	\$ 1,158,267	\$ 1,192,734	\$ 1,197,774
Schools (5)						
Tangible Property (1)	\$ 1,389,409	\$ 1,506,044	\$ 1,607,240	\$ 1,687,446	\$ 1,777,869	\$ 1,800,243
Various Vehicle (4)	112,258	109,726	117,938	122,941	124,569	123,333
Subtotal-Schools	\$ 1,501,667	\$ 1,615,770	\$ 1,725,178	\$ 1,810,387	\$ 1,902,438	\$ 1,923,576
Townships						
Tangible Property (1)	\$ 46,223	\$ 48,743	\$ 51,271	\$ 54,704	\$ 59,447	\$ 61,164
Intangibles (2)	626	576	752	876	1,243	1,025
Various Vehicle (4)	5,062	5,389	5,402	5,602	5,734	5,916
Subtotal-Townships	\$ 51,911	\$ 54,708	\$ 57,425	\$ 61,182	\$ 66,424	\$ 68,105
Special Districts						
Tangible Property (1)	\$ 145,871	\$ 155,489	\$ 200,320	\$ 211,720	\$ 213,008	\$ 226,580
Various Vehicle (4)	13,340	15,011	15,703	15,973	17,590	17,358
Sales and Use (6)	21,481	26,369	34,514	37,362	38,944	38,062
Subtotal-Special Districts	\$ 180,692	\$ 196,869	\$ 250,537	\$ 265,055	\$ 269,542	\$ 282,000
TOTAL LOCAL TAXES	\$ 4,119,260	\$ 4,470,137	\$ 4,796,364	\$ 5,010,417	\$ 5,131,395	\$ 5,160,745
Exhibit:						
Tangible Property	\$ 3,051,281	\$ 3,279,174	\$ 3,533,523	\$ 3,716,952	\$ 3,903,207	\$ 3,946,214
Various Vehicle	299,370	307,617	318,525	328,021	338,355	331,019
Total	\$ 3,350,651	\$ 3,586,791	\$ 3,852,048	\$ 4,044,973	\$ 4,241,562	\$ 4,277,233
Exhibit:						
Local Sales and Use	\$ 679,076	\$ 788,473	\$ 851,549	\$ 861,259	\$ 792,727	\$ 790,813

Sources: Reports and records of the Department of Revenue

1. Taxes levied for collection in the fiscal year. Includes certain in-lieu taxes, e.g., industrial revenue bond property.
2. Taxes collected on a calendar-year basis.
3. Calendar year revenue, e.g., the figure in the FY 2010 column is for CY 2009.
4. Calendar year taxes for motor, recreational, and 16m and 20m "tagged" vehicles.
5. School districts, community colleges, and municipal universities, including out-district tuition tax levies made by counties and townships.
6. Collections by the Department of Revenue for municipal universities, transportation development districts, community improvement districts, certain sales tax and revenue bond districts, and the Horsethief Reservoir District.

Special Note

This table does not include revenue from certain taxes for which annual data are not compiled, e.g., occupation and franchise taxes; and development excise taxes.

TABLE 5 — PERCENTAGE OF COMBINED STATE AND LOCAL TAX REVENUE

Ranked on the Basis of FY 2010

	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005	FY 2000	FY 1990	FY 1980	FY 1970	FY 1960	FY 1950	FY 1940	FY 1930
General Property (a)	34.69%	33.58%	30.83%	30.26%	30.24%	30.91%	28.00%	32.34%	39.19%	53.06%	56.44%	52.19%	62.95%	82.02%
Sales and Use (b)	25.55	25.65	25.59	26.13	26.53	26.82	28.58	22.55	19.75	15.74	15.34	15.76	9.94	-
Income and Privilege	23.43	25.47	27.91	27.18	25.31	23.36	27.01	21.87	21.42	10.57	6.73	4.95	2.04	-
Motor Fuels	3.69	3.58	3.53	3.67	3.90	4.25	4.54	4.61	5.24	8.81	8.26	11.00	9.92	8.18
Various Vehicle (c)	2.94	2.94	2.75	2.76	2.87	3.06	3.31	5.66	-	-	-	-	-	-
Unemployment Comp.	2.65	1.45	1.83	2.31	3.13	3.40	1.36	3.49	3.86	1.77	2.21	2.51	4.85	-
Vehicle Registration	1.78	1.66	1.55	1.55	1.61	1.75	1.89	2.02	3.03	3.50	4.39	4.35	3.99	5.69
Insurance Premiums	1.20	1.09	1.10	1.10	1.16	1.22	0.86	1.44	1.54	1.22	1.31	1.22	0.99	1.05
Liquor and Beer	0.97	0.95	0.87	0.85	0.87	0.90	0.93	1.03	1.30	1.08	1.09	2.24	0.49	-
Cigarette and Tobacco	0.92	0.96	0.97	1.02	1.12	1.24	0.67	1.15	1.44	2.20	1.83	2.08	1.27	0.63
Severance	0.81	1.13	1.30	1.05	1.31	1.11	0.72	1.71	-	-	-	-	-	-
Corporation Franchise	0.36	0.35	0.38	0.40	0.43	0.47	0.21	0.19	0.25	0.09	0.13	0.17	0.31	0.34
Mortgage Registration	0.36	0.35	0.41	0.44	0.51	0.52	0.46	0.25	0.38	0.20	0.28	0.39	0.30	0.30
Transient Guest	0.25	0.27	0.26	0.22	0.22	0.23	0.22	0.15	0.04	-	-	-	-	-
Motor Carrier Property	0.22	0.25	0.24	0.22	0.20	0.20	0.20	0.20	0.19	0.15	0.16	0.09	0.03	(e)
Estate/Inheritance	0.07	0.19	0.36	0.47	0.47	0.52	0.80	0.89	1.19	0.82	0.82	0.48	0.39	0.67
Intangibles	0.03	0.04	0.03	0.03	0.02	0.03	0.06	0.23	0.98	0.64	0.70	1.09	0.93	0.72
Parimutuel	0.00	0.00	0.02	0.02	0.03	0.03	0.05	0.16	-	-	-	-	-	-
All Other (d)	0.07	0.07	0.07	0.08	0.08	0.08	0.13	0.06	0.20	0.15	0.31	1.48	1.60	0.40
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(a) Taxes levied for collection during the fiscal year.

(b) Local sales taxes included starting in FY 1980.

(c) Includes motor vehicle, recreational vehicle, 16m and 20m "tagged" vehicles, and rental car excise taxes.

(d) Total revenue from nine taxes.

(e) Included in the general property tax until the law was changed in 1935.

TABLE 6

**State and Local Government Taxes in Relation
to Population and Personal Income**

	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2006</u>	<u>FY 2005</u>
State Taxes (\$000)	\$ 6,360,275	\$ 6,640,963	\$ 7,205,627	\$ 7,014,817	\$ 6,521,366	\$ 5,888,881
Local Taxes (\$000)	5,160,745	5,131,395	5,010,417	4,796,364	4,470,137	4,119,260
Total (\$000)	<u>\$ 11,521,020</u>	<u>\$ 11,772,358</u>	<u>\$ 12,216,044</u>	<u>\$ 11,811,181</u>	<u>\$ 10,991,503</u>	<u>\$ 10,008,141</u>
State Population (000)	2,819	2,802	2,777	2,756	2,742	2,731
Kansas Personal Income (\$ millions)	\$ 110,673.4	\$ 112,270.6	\$ 104,894.2	\$ 98,577.2	\$ 90,875.8	\$ 87,176.6
Per Capita Income	39,260	40,068	37,772	35,768	33,142	31,921
Per Capita Taxes						
State	\$ 2,256	\$ 2,370	\$ 2,595	\$ 2,545	\$ 2,378	\$ 2,156
Local	1,831	1,831	1,804	1,740	1,630	1,508
Total	<u>\$ 4,087</u>	<u>\$ 4,201</u>	<u>\$ 4,399</u>	<u>\$ 4,286</u>	<u>\$ 4,009</u>	<u>\$ 3,665</u>
Ratio of Taxes to Person Income						
State	5.75%	5.92%	6.87%	7.12%	7.18%	6.76%
Local	4.66%	4.57%	4.78%	4.87%	4.92%	4.73%
Total	<u>10.41%</u>	<u>10.49%</u>	<u>11.65%</u>	<u>11.98%</u>	<u>12.10%</u>	<u>11.48%</u>

Estimates of the U.S. Department of Commerce as of December 2, 2010.

PART II – INFORMATION ON MAJOR TAX SOURCES

Introduction

In general, the following information is presented on each major tax: date of enactment; statutory citation; agency or agencies responsible for administration and collection; collection date or period; tax base; present rate or rates; history of tax rates; major changes in the tax base, if any; disposition of revenue; and net collections, after refunds, from FY 2006 through FY 2010. As used in this publication, the letters KSA in the statutory citations stand for both *Kansas Statutes Annotated* and Supplements thereto.

PROPERTY TAXES

State Property Tax Levies

Enacted:

- Educational Building Fund levy was authorized by a constitutional amendment (Art. 6, Sec. 10) in 1918 (reorganized by a 1966 amendment as Art. 6, Sec. 6); first levy was made in 1942.
- State Institutions (formerly Charitable Hospital) Building Fund (SBIF) levy was authorized by a constitutional amendment (Art. 7, Sec. 6) in 1952; first levy was made in 1953.
- Correctional Institutions Building Fund levy (temporary) first made in 1976, last levied in 1990.

Statutory Citation: KSA, Ch. 76, Art. 6b.

Administration and Collection: Department of Revenue, Division of Property Valuation; county appraisers; county clerks; or county treasurers (collection).

Collection Period: Same as local property tax payments, one-half payable no later than December 20 and the other half by the following May 20.

Tax Base: Assessed valuation of all taxable tangible property as of January 1 of each year. (For major exemptions, see Local Property Taxes.)

Present Permanent Rates (since 1991):

- 1.0 mill—Educational Building Fund (EBF); effective 1955; and
- 0.5 mill—State Institutions Building Fund; effective 1965.

History of Permanent Tax Rates:

Year	In Mills	
	EBF	SIBF
1942	0.25	
1949	0.50	
1953		0.50
1955	1.00	0.75
1965	1.00	0.50*

* Companion bills enacted in 1965 lowered the SIBF levy by one-fourth mill and authorized counties with approved community mental health centers to levy a like amount for construction of such center.

Temporary Levies: From time to time, the Legislature has modified the state's building fund levies for one year to provide funds for the Correctional Institutions Building fund (CIBF) and to provide additional funds for the EBF. The total state mill levy of 1.50 mills has not changed since 1965, however. A history of these temporary rates is shown below:

Year	In Mills		
	EBF	SIBF	CIBF
1976	1.00	0.25	0.25
1977	1.00	0.40	0.10
1983	1.10	0.40	—
1986	1.00	0.25	0.25
1987	1.00	0.25	0.25
1990	1.00	0.25	0.25

The Legislature also provided a revenue diversion for tax year 2003 only to the SGF as follows:

Year	In Mills		
	EBF	SIBF	SGF
2003	0.6	0.3	0.6

Disposition of Revenue:

- All of EBF levy is earmarked for the erection, equipment, and repair of buildings at the educational institutions under the State Board of Regents.
- All of the SIBF levy is earmarked for the use and benefit of state institutions caring for the mentally ill, retarded, or handicapped children, or juvenile offenders, or institutions providing vocational rehabilitation of the handicapped. "State institutions" is defined to include those institutions under the authority of the Commissioner of Juvenile Justice.
- All of the CIBF was earmarked for the use and benefit of state correctional institutions.

Taxes Levied for Collection: (\$ in thousands)

Year	EBF*	SIBF*	Total
2010	\$30,517	\$15,258	\$ 45,775
2009	31,207	15,603	46,810
2008	30,215	15,108	45,323
2007	29,143	14,572	43,715
2006	26,901	13,450	40,351

* These data include minor amounts for certain in-lieu tax levies.

Prior Statewide Levies for Other Purposes:

From 1861 through 1942, a state property tax was levied for general operating purposes. No such levy was made in the years 1943-1946. A general levy was made again each year from 1947 through 1952, but not in 1953 and 1954. The last state general purpose levy was made in 1955 for collection in fiscal year 1956 (the rate was 1.99 mills and the amount of the levy was \$8,192,000).

In dollar amounts, the 1955 levy was the second highest ever made for general state purposes. The largest general levy was \$8,504,000 in 1921 and the 2.23 mill rate that year is the highest on record after 1907. In that year, on order of the first state tax commission, which was created in 1907, the state total assessed valuation was increased from \$425.3 million in 1907 to nearly \$2.5 billion in 1908.

From 1923 through 1954, a statewide property tax was levied to retire bonds issued to pay the World War I soldier's bonus.

Mandatory School District General Fund Levy

Enacted: 1992.

Statutory Citation: KSA 2010 Supp. 72-6431.

Administration and Collection: Department of Revenue, Division of Property Valuation; County Appraisers; County Clerks; County Treasurers (collection); Department of Education.

Collection Period: Same as local property tax payments, one-half payable no later than December 20 and the other half by the following May 10.

Tax Base: Assessed valuation of all taxable tangible property as of January 1 of each year. For major exemptions, see Local Property Taxes. In *addition to* these other exemptions, KSA 2010 Supp. 79-201x provides an exemption—from this levy only—through tax year 2010 for the first \$20,000 of the appraised valuation of property used for residential purposes.

Present Rate: 20 mills for the 2010-2011 school year (tax year 2010).

History of Tax Rate: Prior to enactment of the 1992 School District Finance and Quality Performance Act, school district general fund levies varied widely among school districts. In accordance with various statutory constraints, these levies were established by local school boards and ranged from 9.12 mills (Burlington) to 97.69 mills (Parsons) in 1991. The 1992 law established a uniform general fund levy of 32 mills for 1992, 33 mills for 1993, and 35 mills for 1994 and thereafter. The Shawnee County District Court in 1993 ruled that such imposition

violated a provision of the *Kansas Constitution* limiting state property tax levies to two years. The 1994 Legislature subsequently reimposed the 35 mill levy for 1994 and 1995, and the Kansas Supreme Court (*USD No. 229 v. State*, 256 Kan. 232 (1994)) noted the district court's ruling on the matter and observed that the "infirmity" in the law had been corrected by the 1994 legislation.

1992	32 mills	
1993	33 mills	
1994	35 mills	
1995	35 mills	
1996	35 mills	
1997	27 mills	(\$20,000 residential exemption also effective)
1998-2010	20 mills	(\$20,000 residential exemption also effective)

Disposition of Revenue: Receipts are retained locally by county treasurers and distributed to school district general funds. These tax receipts are treated as "local effort" for purposes of the state school finance formula. When local effort is greater than a district's authorized general fund budget, the excess local effort is remitted to the State School District Finance Fund. In the 2009-2010 school year, only one school district (Burlington) remitted a total of \$4.4 million to that fund. In the initial school year under the 1992 law (1992-93), 10 districts remitted \$13.7 million.

Taxes Levied for Collection: (\$ in thousands)

FY 2010	\$	558,453
FY 2009		567,502
FY 2008		552,788
FY 2007		530,713
FY 2006		483,500

Local Property Taxes

Enacted: Local property taxes predate statehood; basic statewide requirements enacted in 1868.

Statutory Citation: KSA, Ch. 79, Articles 1-6a, 10, 14, 16-21, 23, 24, 26-29, 40, 45, 50.

Administration and Collection: County Appraisers, County Clerks, and County Treasurers (collection); Department of Revenue, Division of Property Valuation; State Board of Tax Appeals.

Collection Period: Due November 1, one-half payable no later than December 20 and the other half by the following June 20, but if the bill is \$10 or less, the entire amount is payable December 20.

Tax Base: Assessed valuation of taxable real and tangible personal property. Prior to the adoption of classification

amendments by voters in 1986 (effective in tax year 1989) and 1992 (effective in tax year 1993), the *Kansas Constitution* required that all taxable real and tangible personal property be assessed on a uniform basis at 30 percent of fair market value. Over the years, various amendments have allowed intangibles (1924 amendment), motor vehicles (1974 amendment), and recreational vehicles (1992 amendment) to be separately classified and taxed. A 1976 amendment authorized the taxation of agricultural land based on its productivity and income (use-value) rather than its market value, but use-value was not implemented until tax year 1989 (pursuant to the 1986 classification amendment). The following table outlines the assessment levels provided by the classification amendments:

ASSESSMENT LEVELS IN CLASSIFICATION AMENDMENTS

(Article 11, Section 1—*Kansas Constitution*)

Property Class	(1986 Amendment) Tax Years 1989-1992	(1992 Amendment) Tax Years 1993 and Thereafter
Residential Real	12.0%	11.5% ^(a)
Agricultural Land	30.0% ^(b)	30.0% ^(b)
Vacant Lots	12.0%	12.0%
Commercial and Industrial Real	30.0%	25.0%
Agricultural Improvements	30.0%	25.0%
Certain Not-for-Profit Real	30.0%	12.0% ^(c)
Utility Real	30.0%	33.0% ^(d)
Other Real	30.0%	30.0%
Mobile Homes Used as Residences	12.0%	11.5%
Low Production Mineral Leaseholds	30.0%	25.0% ^(e)
All Other Mineral Leaseholds	30.0%	30.0%
Utility Personal	30.0%	33.0% ^(d)
Utility Inventories	exempt	33.0%
Motor Vehicles	30.0%	30.0%
Commercial and Industrial Machinery and Equipment	20.0% ^(f)	25.0% ^(f)
Inventory		
Merchants	exempt	exempt
Manufacturers	exempt	exempt
Livestock	exempt	exempt
Other Personal	30.0%	30.0% ^(g)

- a) Includes mobile home parks.
- b) Valued based on its agricultural income or productivity (use-value) rather than its market value.
- c) Includes only property owned and operated by those not-for-profit organizations included in this subclass by law.
- d) Railroad property at average of commercial and industrial.
- e) Oil leaseholds with average daily production of five barrels or less and gas leaseholds with average daily production of 100 mcf or less.
- f) Valued by retail cost when new, depreciated.
- g) Legislature may separately classify "recreational vehicles."

Exemptions: Article 11, Section 1 of the *Kansas Constitution* exempts all property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes; farm machinery and equipment; merchants' and manufacturers' inventories, other than certain public utility inventories; livestock; and all household goods and personal effects not used for the production of income. The Kansas Supreme Court has ruled that the Legislature may grant other exemptions if they have a public purpose and are designed to promote the public welfare. Statutory exemptions include (but are not limited to) nonprofit college and university union buildings and dormitories, alumni association property, parsonages, hospitals, nursing homes, housing for the elderly, airports operated by political subdivisions, licensed children's

care homes, property used to provide humanitarian services, working interests in low-producing oil leases, hand tools and hand tool boxes, and business aircraft.

Present Rates: Rates vary markedly among the numerous local taxing units (counties, cities, townships, school and community college districts, special purpose districts) in accordance with the *ad valorem* requirements of their locally-adopted budgets.

Countywide average mill levies for tax years 1998 and 1999 are provided in the following table, as well as urban and rural average levies within each county for both years.

AVERAGE MILL LEVY RATES

County	2008 County Average Rate	2008 Urban Average Rate	2008 Rural Average Rate	2009 County Average Rate	2009 Urban Average Rate	2009 Rural Average Rate
Allen	142.809	156.990	128.988	155.193	171.296	140.116
Anderson	152.904	176.243	142.422	155.215	177.479	145.055
Atchison	143.083	161.803	114.692	146.771	165.679	117.340
Barber	113.986	146.830	108.163	115.292	153.462	109.289
Barton	150.870	161.170	142.370	154.004	161.269	147.088
Bourbon	148.952	164.498	130.669	150.907	167.314	131.869
Brown	118.647	134.424	110.490	120.535	136.608	112.400
Butler	141.141	154.419	128.631	142.062	155.955	129.685
Chase	130.034	175.611	121.925	133.779	176.340	125.580
Chautauqua	160.327	193.869	151.679	176.739	209.848	168.387
Cherokee	115.645	139.278	100.002	116.576	140.125	100.979
Cheyenne	100.862	128.110	93.288	101.911	133.353	94.207
Clark	148.444	198.884	142.657	145.173	197.297	139.665
Clay	138.764	150.308	128.573	142.376	154.858	131.215
Cloud	156.935	178.547	141.246	158.487	179.675	142.951
Coffey	83.482	121.817	80.539	89.670	126.281	86.669
Comanche	130.979	196.921	123.744	130.154	196.703	123.018
Cowley	161.872	178.091	140.584	162.322	178.314	140.962
Crawford	127.087	137.854	98.174	130.753	141.584	102.618
Decatur	145.654	187.841	134.371	158.948	197.588	145.515
Dickinson	114.122	121.926	106.514	121.704	130.991	112.888
Doniphan	112.617	125.758	105.115	116.665	130.005	108.844
Douglas	116.814	117.941	111.497	118.027	118.850	114.083
Edwards	134.354	187.632	123.555	136.380	184.744	126.179
Elk	193.140	244.927	179.334	194.558	246.373	180.757

County	2008 County Average Rate	2008 Urban Average Rate	2008 Rural Average Rate	2009 County Average Rate	2009 Urban Average Rate	2009 Rural Average Rate
Ellis	107.018	119.443	91.383	112.431	120.765	98.774
Ellsworth	139.026	177.795	124.122	138.009	175.396	123.556
Finney	107.952	130.309	98.047	116.615	140.696	105.433
Ford	166.631	178.595	151.376	167.452	179.335	152.358
Franklin	136.111	156.560	116.908	137.751	157.876	118.438
Geary	130.296	137.678	98.535	135.966	143.054	104.210
Gove	118.846	163.365	109.619	128.995	171.765	118.449
Graham	126.377	179.646	120.008	158.175	216.676	148.415
Grant	86.253	121.096	82.970	86.075	120.946	82.895
Gray	142.815	171.141	130.682	144.945	170.862	133.461
Greeley	140.560	192.918	133.157	144.521	197.124	136.977
Greenwood	157.440	187.707	146.213	158.986	187.477	147.748
Hamilton	140.379	168.549	136.229	141.546	173.764	137.514
Harper	140.509	188.584	126.043	151.493	200.440	136.053
Harvey	121.985	130.059	103.493	123.572	131.549	105.286
Haskell	77.269	118.794	75.374	82.252	126.381	80.029
Hodgeman	178.955	208.064	174.814	195.363	224.211	190.919
Jackson	135.718	160.766	124.458	137.739	164.205	125.655
Jefferson	133.037	158.336	124.512	134.951	160.011	126.593
Jewell	172.217	209.522	166.213	170.872	205.657	164.846
Johnson	111.919	111.807	115.125	114.533	114.441	117.247
Kearny	83.706	122.505	82.142	86.347	125.493	84.770
Kingman	119.634	148.359	113.061	126.239	153.725	119.222
Kiowa	108.453	157.624	104.061	109.743	159.200	104.099
Labette	167.681	188.085	139.876	176.171	196.916	148.552
Lane	126.583	173.160	122.329	145.592	191.018	140.771
Leavenworth	119.399	129.843	101.231	126.233	138.080	105.434
Lincoln	163.834	193.223	157.097	175.039	202.596	168.637
Linn	112.996	148.041	106.389	116.126	151.714	109.195
Logan	134.384	178.896	119.496	141.258	182.964	123.287
Lyon	130.631	141.341	107.585	136.498	145.906	116.133
Marion	145.365	175.329	129.043	147.102	176.663	130.107
Marshall	134.427	164.105	118.411	135.736	165.719	120.031
McPherson	117.830	132.721	102.275	118.318	132.788	102.842
Meade	110.284	161.730	104.355	114.224	164.467	108.037
Miami	117.811	138.531	104.951	121.547	142.740	108.529
Mitchell	162.337	176.456	150.901	165.201	177.510	154.791
Montgomery	144.844	165.275	130.541	157.848	176.903	138.652
Morris	121.600	151.593	108.627	127.907	158.527	115.215
Morton	92.232	150.466	88.019	90.956	150.957	86.704
Nemaha	119.434	129.462	113.409	122.750	132.638	116.981
Neosho	150.924	174.257	132.186	154.411	174.478	140.055
Ness	121.529	159.664	116.408	139.033	175.561	132.748
Norton	138.525	166.519	121.311	144.942	172.596	127.448
Osage	126.388	142.161	117.477	128.759	145.130	119.243
Osborne	161.612	195.736	148.340	169.486	200.049	156.716
Ottawa	148.092	171.861	139.953	149.019	171.459	141.526
Pawnee	162.343	193.383	149.458	170.300	198.571	158.142
Phillips	150.450	183.385	137.581	161.583	192.682	148.189
Pottawatomie	90.331	108.950	84.009	92.339	112.788	85.059
Pratt	166.569	201.115	153.728	162.067	194.377	148.165
Rawlins	133.748	175.511	124.029	141.171	181.163	129.752
Reno	151.488	160.579	137.768	155.949	165.567	141.028
Republic	157.669	198.734	143.982	164.613	205.494	150.468
Rice	125.812	154.047	117.889	132.571	162.442	124.021
Riley	105.124	108.111	89.414	113.228	116.649	94.827

County	2008 County Average Rate	2008 Urban Average Rate	2008 Rural Average Rate	2009 County Average Rate	2009 Urban Average Rate	2009 Rural Average Rate
Rooks	130.895	187.521	120.395	153.142	210.970	138.083
Rush	162.765	189.980	152.190	168.877	197.470	157.254
Russell	154.683	176.449	144.555	169.927	188.887	158.987
Saline	113.422	122.253	82.984	116.971	125.556	87.920
Scott	136.401	185.767	122.472	144.471	193.254	128.777
Sedgwick	118.793	119.751	112.404	121.016	122.226	113.043
Seward	106.731	132.126	93.873	109.594	133.220	97.380
Shawnee	135.653	142.263	120.206	137.198	144.168	121.301
Sheridan	130.489	162.087	123.200	144.257	170.475	137.629
Sherman	119.573	147.932	101.102	123.484	149.476	105.955
Smith	189.833	245.395	168.208	197.436	249.825	175.321
Stafford	135.616	173.681	130.601	142.819	177.529	137.224
Stanton	109.091	153.315	106.184	112.543	147.704	110.191
Stevens	73.024	99.902	71.701	82.066	110.362	80.720
Sumner	156.446	173.343	144.018	161.441	178.051	148.726
Thomas	141.999	149.644	134.279	142.667	150.264	134.379
Trego	130.997	173.388	121.923	142.703	179.882	130.479
Wabaunsee	137.758	154.970	132.868	141.570	160.059	136.440
Wallace	150.942	200.172	142.167	158.562	207.417	149.316
Washington	159.108	179.708	152.965	162.179	182.327	156.091
Wichita	163.147	211.236	150.658	177.359	225.174	164.170
Wilson	117.744	150.092	108.071	111.393	143.630	102.287
Woodson	149.333	190.820	137.751	159.840	200.278	147.446
Wyandotte	153.522	153.543	119.551	163.430	163.461	120.923
Avg. State Levy	121.609	126.788	111.365	125.125	130.231	114.899

History of Levy Limitations: Tax levy limits were adopted as early as 1868 and a graduated scale of levy limits was enacted in 1909. In 1933 the Legislature established an overall aggregate levy limitation system for all local units of the state. The limitation laws were rewritten in 1941, and subsequently amended on numerous occasions. Limitations on levies of counties, cities, and townships were recodified in the 1970 Session and further amended in 1973 and 1975.

Legislation enacted in 1970 imposed a temporary "lid" on property tax levies and operating budgets of counties, cities, unified school districts and community colleges in tax years 1970, 1971, and 1972. As reenacted in 1973 with no expiration date, the tax lid law applied to counties, cities, and community colleges; there were no budget controls in the 1973 law, but school districts and community colleges were

made subject to budget controls in other laws. Community colleges were exempted from the tax lid in 1977, and their budget controls were eliminated in 1981.

In 1977, the Attorney General issued two opinions which held that, because of nonuniformity of application of the tax lid law, both cities and counties could, by charter ordinance or resolution procedure, exempt themselves from all or part of the tax lid law.

An exemption from the lid sufficient to replace intangibles taxes repealed or reduced by an election was enacted in 1979. The tax lid was further amended in 1983 to prevent a loss of tax authority following the exemption of farm machinery and business aircraft. A reappraisal tax lid was enacted to prohibit taxing subdivisions from levying, in dollars, more taxes following

reappraisal than they had levied in the year prior to reappraisal, except for levies made for certain purposes.

The 1989 tax lid was a limitation on the aggregate amount (in dollars) which could be levied for funds or purposes that were not expressly exempted from the lid by counties, cities, townships, community colleges, and municipal universities. With certain exceptions, the aggregate tax levy could not exceed the amount levied for the base year. Other taxing subdivisions were subject to fund levy limits determined by the amounts authorized to have been levied in 1988, adjusted for added valuations since 1989. Taxing subdivisions could elect to exempt themselves from the lid law by charter ordinance for cities or similar procedures for other taxing subdivisions.

“Truth in Taxation” Lid: Legislation enacted in 1999 replaced the aggregate tax lid and fund levy limit system with a new law that generally requires affected taxing subdivisions to pass resolutions or ordinances acknowledging increases in property tax dollars levied over the prior year, subject to certain exceptions. Levies of school districts and community colleges are specifically exempt from the law’s requirements. Other taxing subdivisions, absent the adoption of a resolution or ordinance, are prohibited from approving budgets funded from increases in property taxes, except with regard to increases attributable to new improvements to real estate; increased personal property valuation for most subclasses; property located within added jurisdictional territory; and property which has changed in use. All bonded-indebtedness property tax levies also are excluded from the provisions of the law.

Disposition of Revenue: To the local unit which made the levy, e.g., taxes from a city’s levy are collected by the county treasurer along with other local taxes and

the revenue from that levy is remitted to the city for expenditure.

Total Local Tangible Property Tax Levied: * (\$ in thousands)

CY 2009	\$ 3,946,214
CY 2008	3,903,207
CY 2007	3,716,952
CY 2006	3,533,523
CY 2005	3,279,174

* Includes certain payments in lieu of tangible property tax. CY 2009 taxes levied for collection in FY 2010.

Tangible Property Taxes Levied, by Type of Local Unit, for CY 2009: (\$ in thousands)

	Amount (000)	Percent of Total
Schools (a)	\$ 1,800,243	45.62%
Counties	1,092,163	27.68
Cities	766,064	19.41
Special Districts	226,580	5.74
Townships	61,164	1.55
TOTAL	\$ 3,946,214	100.00%

(a) Data includes collections from the state-imposed mandatory school district general fund levy.

Homestead Property Tax Refund Programs: When Kansas enacted the Homestead Property Tax Refund Act in 1970, it became the sixth state to enact a “circuit-breaker” style of property tax relief. A “circuit-breaker” is a form of property tax relief in which the benefit is dependent on income or other criteria and the amount of property taxes paid. The moniker developed as an analogy to the device that breaks an electrical circuit during an overload, just as the property tax relief benefit begins to accrue once a person’s property taxes have become overloaded relative to his or her income.

Current Eligibility Requirements:

- * Household income of \$31,300 or less; and
- * Someone in the household is:
 - Age 55 or above;
 - A dependent under age 18;
 - Blind; or
 - Otherwise disabled.

Renters are eligible (15 percent of rent is equivalent to property tax paid).

Program Structure

The current Kansas Homestead program is an entitlement for eligible taxpayers based upon their household income and their property tax liability. The maximum available refund is \$700; and the minimum refund is \$30.

Recent Legislative History

A 2006 change to the Homestead program expanded it by approximately \$4.5 million. The Legislature in 2007 enacted an even more significant expansion in the program, which increased the size of the program by an additional \$9.9 million.

	Eligible Claims Filed	Amount	Average Refund
FY 2006	72,927	\$ 16.643 million	\$ 229
FY 2007	79,661	21.220 million	265
FY 2008	96,020	31.127 million	324
FY 2009	102,586	32.819 million	320
FY 2010	132,136	42.872 million	324

Hypothetical Taxpayers–Homestead

The impact of the 2006 and 2007 program expansion legislation is demonstrated on the following hypothetical taxpayers:

- Elderly couple with \$1,000 in property tax liability and \$23,000 in household income, \$11,000 of which comes from Social Security benefits.

Homestead Refund

Pre-2006 Law	2006 Law	2007 Law
\$72	\$150	\$385

- Single mother with two young children, \$750 in property tax liability and \$16,000 in household income.

Homestead Refund

Pre-2006 Law	2006 Law	2007 Law
\$240	\$360	\$420

- Disabled renter paying \$450 per month in rent, with \$9,000 of household income from sources other than disability income.

Homestead Refund

Pre-2006 Law	2006 Law	2007 Law
\$408	\$528	\$616

Taxes by Class of Property:

The 1995 Governor’s Tax Equity Task Force found that commercial and industrial real estate was the class of property that was the biggest net statewide beneficiary as a result of the 1992 school finance law and the revised 1993 classification amendment (which reduced the assessment level on that class of property from 30 to 25 percent of fair market value). Property taxes on commercial and

industrial real estate comprised about 24.2 percent of the tax base statewide in 1991, compared to only 21.5 percent in 1999.

Legislation enacted in 2006 provided that most new commercial and industrial machinery and equipment acquired after July 1, 2006 would be exempt from property taxes, and taxes on this subclass of property have been declining steadily since 2007.

Tax Collections for Commercial and Industrial Machinery and Equipment

Tax Year	Ad Valorem Taxes
2006	\$ 242,974,561
2007	217,185,705
2008	179,714,227
2009	154,956,188

Ad Valorem Taxes by Class of Property (a)

	Tax Year 1991	Percent of Total	Tax Year 1999	Percent of Total	Tax Year 2009	Percent of Total
Total Real	\$ 1,332,713,087	72.72%	\$ 1,513,967,256	71.76%	\$ 2,966,826,240	78.09%
Total Personal	258,966,644	14.13	311,365,112	14.76	456,615,767	12.02
State Assessed	240,974,214	13.15	284,340,690	13.48	375,659,213	9.89
TOTAL	\$ 1,832,653,945	100.00%	\$ 2,109,673,058	100.00%	\$ 3,799,101,220	100.00%

Exhibit:

Residential Real	\$ 690,982,069	37.70%	\$ 878,323,814	41.63%	\$ 1,833,754,470	48.27%
Commercial and Industrial Real	443,669,655	24.21	453,561,491	21.50	908,490,232	23.91
Agricultural Land (Real)	162,878,956	8.89	144,149,817	6.83	156,728,722	4.13
Mineral Leasehold (Personal)	111,211,319	6.07	76,319,759	3.62	246,819,513	6.50
Commercial and Industrial Machinery and Equipment (Personal)	111,385,312	6.08	199,811,307(b)	9.47	\$ 154,956,188(b)	4.08

a) Data are exclusive of payments-in-lieu-of taxes but are inclusive of collections from the mandatory school district general fund levy (which is treated as a state-imposed levy elsewhere in this publication).

b) Pursuant to 1998 legislation, taxpayers were entitled to refundable tax credits equivalent to 15 percent of liability on commercial and industrial machinery and equipment. Under current law, tax credits of 25 percent of liability are authorized.

INCOME AND PRIVILEGE TAXES

Income Tax – Individual and Corporation

Enacted: 1933; constitutional amendment authorizing the tax (Article 11, Section 2) adopted in 1932.

Statutory Citation: KSA, Chapter 79, Article 32

Administration and Collection: Department of Revenue, Division of Taxation. The 1965 Legislature established a withholding and declaration system for collection of the income tax, including a requirement for advance payments by corporations. The withholding rate was established in 1965 at 15 percent of the federal tax withheld, was reduced to 10 percent in 1967, and was increased to 13 percent in 1976. In 1977, the Secretary of Revenue was authorized to adopt variable

rates, based upon adjusted gross income class, by administrative rule and regulation. Legislation enacted in 1983 accelerated remittances of taxes withheld by employers to require that most employers remit monthly or twice monthly. Accelerator legislation enacted in 1992 required employers with annual withholding in excess of \$100,000 to remit four times each month.

Collection Period: Tax is due by April 15 of each year, or the 15th of the fourth month following the end of the tax year.

Tax Base: Individual: Federal adjusted gross income, adjusted, less deductions and exemptions; Corporation: Federal taxable income, adjusted, and then allocated to Kansas.

Present Rates: Applicable starting with tax year 1998 for individuals and with tax year 2011 for corporations.

Individuals				Corporations	
Single Return		Joint Return			
Taxable Income	Rate	Taxable Income	Rate	Taxable Income	Rate
First \$15,000	3.50%	First \$30,000	3.50%	First \$50,000	4.00%
\$15,001-\$30,000	6.25%	\$30,001-\$60,000	6.25%	\$50,001 and above	7.00%
\$30,001 and above	6.45%	\$60,001 and above	6.45%		

History of Tax Rates:

Taxable Income	1933-56	1957	1958-64	1965-66	1967-69	1970-76	1977-87	1988	1989-91 ^(a)	1992-96	1997
Individuals^(b)											
First \$2,000	1.0%	1.0%	1.5%	2.5%	2.0%	2.0%	2.0%				
\$2,001-\$3,000	2.0	2.0	2.5	3.5	3.5	3.5	3.5				
\$3,001-\$5,000	2.5	2.5	3.0	4.0	4.0	4.0	4.0				
\$5,001-\$7,000	3.0	3.5	4.0	5.0	5.0	5.0	5.0				
\$7,001-\$10,000	4.0	5.0	5.5	6.5	6.5	6.5	6.5				
\$10,001-\$20,000	4.0	5.0	5.5	6.5	6.5	6.5	7.5				
\$20,001-\$25,000	4.0	5.0	5.5	6.5	6.5	6.5	8.5				
\$25,001 and above	4.0	5.0	5.5	6.5	6.5	6.5	9.0				
Joint Individuals (No change since 1992.)											
First \$35,000								4.05%	3.65%		
\$35,001 and above								5.30	5.15		
First \$30,000										3.50%	3.50%
\$30,001-\$60,000										6.25	6.25
\$60,001 and above										6.45	6.45
Single Individuals											
First \$27,500								4.80%	4.50%		
\$27,501 and above								6.10	5.95		
First \$20,000										4.40%	4.10%
\$20,001-\$30,000										7.50	7.50
\$30,001 and above										7.75	7.75
	1933-56	1957	1958-64	1965-69	1970-91	1992-07	2008	2009-10			
Corporations											
First \$25,000	2.0%	3.0%	3.5%	4.5%	4.5%	4.0%	4.0%	4.0%			
\$25,001 and above	2.0	3.0	3.5	4.5	6.75	7.35	7.10	7.05			

a) An optional set of rates were available for individuals in tax years 1989-1991 if they elected to deduct their federal income tax liability.

b) Brackets shown through 1987 are for single or separate returns; on joint returns, the range of each bracket was doubled.

Conformity with Federal Law. A state-federal conformity statute was enacted in 1967, following adoption in 1966 of a constitutional amendment (Art. 11, Sec. 11) which authorized prospective adoption of federal provisions by reference, that is, continuing conformity to federal law in the absence of further legislative action. Generally, until 1977, Kansas conformed in the areas of federal adjusted gross income, the standard deduction, and itemized deductions, except for a more liberal state medical deduction and deduction of the Social Security tax for persons who itemized deductions. Legislation enacted in 1977, however, froze the Kansas standard and itemized deductions at the 1976 levels, for

one year. The 1978 Legislature established permanent deductions, limiting the standard deduction to the 1976 federal level (plus federal income tax) and limiting the itemized deductions (other than special modifications) to those in federal law in effect on December 31, 1977. The 1988 Legislature increased the standard deduction amounts to the tax year 1988 federal level, updated the conformity of itemized deductions, and provided that the itemized deductions would conform prospectively to all future federal changes. Recent federal conformity legislation has included the enactment of certain credits which “piggy-back” on similar credits available at the federal level (adoption expenses in 1997 and the earned

income tax credit in 1998); and the modification of withholding tax provisions to match the federal treatment of nonwage payments.

Personal Exemptions. An exemption for a specified amount of income per qualified person in a household has been allowed since enactment of the tax in 1933. The original law authorized one exemption amount for spouses and lower amounts for juveniles or those incapable of self-support. In 1949, the amount of exemption was made uniform for all persons who could be claimed. The 1953 law added an extra exemption for the elderly or blind, and amendments in 1959 extended the dependent exemption to students. The 1967

conformity statute granted one Kansas exemption for each federal exemption. The exemption amount was increased in 1977 and an extra exemption was added for persons qualifying as heads of households. The 1979 Legislature increased the amount of exemption. In 1988, the Legislature again increased the exemption amounts as part of the conformity legislation passed in response to the federal Tax Reform Act of 1986. A package of income tax changes enacted in 1998 included an increase to the current level of \$2,250.

The exemption amounts authorized under the above amendments:

1933	1949	1953	1959	1967	1977	1979	1988	1989	1998
\$750/spouse; \$200/dependent	\$600	\$600	\$600	\$600	\$750	\$1,000	\$1,950	\$2,000	\$2,250

Standard Deduction. Effective in tax year 1998, the current Kansas standard deductions for individual income taxpayers are as follows:

Filing Status	Standard Deduction
Joint	\$6,000
Single	\$3,000
Head of Household	\$4,500
Elderly/Blind Joint Return	additional \$700
Elderly/Blind Single Return	additional \$850

Education Savings Program Modification: Qualifying contributions to the Kansas Postsecondary Education Savings Program may be subtracted as a modification from federal adjusted gross income before arriving at Kansas adjusted gross income.

Disallowance of Federal Income Tax as a State Deduction. Effective in 1972, the federal income tax was disallowed for one year as a deduction on state corporation income tax returns. The disallowance of this deduction was extended indefinitely in 1973. The 1983 Legislature limited the federal income tax deduction on individual income

taxes to a maximum of \$5,000 (\$10,000 on a joint return), or one-half of the federal income tax liability, whichever was greater, for 1983 and 1984. The 1988 Legislature repealed federal income tax deductibility for individuals. New legislation in 1989 allowed individuals to again deduct their federal liability, provided that they opted to pay under a higher set of state rates. This federal deductibility option was repealed in 1992.

Credits. A number of income tax credits are available under the Kansas Income Tax Act, including:

- **Child and Dependent Care Expenses.** Twenty-five percent of the amount of the credit available under federal law pursuant to 26 USC 21 is allowed to be claimed as a credit against Kansas liability.
- **Child Day Care Assistance.** Credits may be claimed for amounts paid to provide child day care services for employees or for the furnishing of facilities and equipment necessary for

child day care services. The maximum amount of credit that normally may be claimed by any taxpayer for a taxable year is \$30,000, except that credits up to \$45,000 may be claimed for the year during which a facility is established. The aggregate amount of all child day care assistance credits claimed in any fiscal year may not exceed \$3 million.

- **Disabled Accessibility.** Credits are available up to \$9,000 for individuals who make their principal dwelling (or the principal dwelling of lineal ascendants or descendants) accessible to persons with a disability; credits are available up to \$10,000 for businesses that make a building or facility accessible to persons with a disability.
- **Venture Capital and Seed Capital Investments.** Credits may be claimed to the extent of 25 percent of the amount invested in certified Kansas venture capital companies and certified local seed capital pools.
- **Production Credit Associations.** Credits may be claimed by production credit associations and agricultural credit associations for making low-interest agricultural production loans.
- **Small Employer Health Benefit Plans.** Certain small employers making contributions for eligible employees as part of small employer health benefit plans may claim credits pursuant to KSA 2010 Supp. 40-2246.
- **Job Expansion and Investment Tax Credits.** Eligible businesses may claim a job expansion credit of \$100 per net new employee and an investment tax credit of \$100 per \$100,000 of qualified investment. Eligibility for these credits requires the creation or retention of jobs. Credits may be used to offset up to 50 percent of the business' Kansas income tax liability.
- **Community Service Contributions.** Credits are available under the Kansas Community Services Program Act to business firms making contributions to community service organizations or governmental entities engaging in the activities of providing community services.
- **Alternative-Fueled Motor Vehicle Expenditures.** Credits are available for certain expenditures associated with qualified alternative-fueled motor vehicles and qualified alternative-fuel fueling stations.
- **Nongame and Endangered Species Expenditures.** Credits may be claimed to offset property taxes on certain property designated as critical habitat which also participates in management activities as part of a recovery plan for threatened or endangered species. Additional credits are available to offset costs incurred on such property for habitat management and construction or maintenance of improvements.
- **Adoption Expenses.** Credits are available for adoption expenses to the extent of 25 percent of the federal adoption credit provided in Section 23 of the federal Internal Revenue Code; or an alternative credit of \$1,500 is available for the adoption of a child with special needs or in SRS custody.
- **Swine Facility Improvements.** Credits may be claimed up to 50 percent of the costs incurred by taxpayers for making required improvements to qualified swine facilities.
- **Earned Income Tax Credit (EITC).** Credits are available to the extent of 18 percent of the federal earned income credits authorized by Section 32 of the federal Internal Revenue Code.

- **Machinery and Equipment Property Taxes.** Credits are available to offset 25 percent of property taxes actually and timely paid on commercial and industrial machinery and equipment.
- **Oil and Gas Well Plugging.** Credits may be claimed to offset 50 percent of the expenditures with plugging certain abandoned oil and gas wells.
- **Food Sales Tax Refunds.** Credits of \$45 or \$90 per person in qualifying households (except that head-of-household filers are eligible for an additional credit) are available to qualifying taxpayers to help offset the regressivity of the sales tax on food. For a more complete explanation of this program, see the sales tax section.
- **“Telephonestead” Differential.** Credits are available to offset the property tax rate differential (33 to 25 percent) between the property of certain telecommunications companies and property assessed as commercial and industrial. The credits are applicable for taxes actually and timely paid on only that property initially acquired and first placed into service on and after January 1, 2001.
- **High Performance Firm Investments.** Qualified “high performance” firms are eligible to receive credits of up to \$50,000 for certain employee education and training investments.
- **Research and Development.** Credits may be claimed for certain qualifying research and development expenditures not to exceed 25 percent of a taxpayer’s liability in any given year.
- **Regional Foundation.** Credits may be claimed for certain qualifying contributions in excess of \$250 to regional foundations established pursuant to KSA 2010 Supp. 74-50,154.
- **Law Enforcement Training Center.** Credits may be claimed for certain qualifying contributions to the Kansas Law Enforcement Training Center.
- **Math and Science Teacher Employment.** Credits may be claimed by business firms paying salary to certain math and science teachers employed pursuant to partnership agreements with school districts.
- **Nitrogen Fertilizer Plant.** Credits may be claimed equivalent to a certain percentage of investments in qualifying nitrogen fertilizer plants.
- **Deferred Maintenance.** Credits may be claimed of as much as 50 percent for certain contributions earmarked to help postsecondary educational institutions pay for deferred maintenance and other infrastructure projects.
- **Angel Investor.** Credits may be claimed of 50 percent for qualifying investments of certain “angel investors.”
- **Biomass-to-Energy Plants.** Credits may be claimed equivalent to a certain percentage of investments in qualifying biomass-to-energy plants.
- **Electric Cogeneration Facility.** Credits may be claimed equivalent to a certain percentage of investments in qualifying electric cogeneration facilities.
- **Environmental Compliance.** Credits may be claimed relative to certain environmental compliance expenditures certified by the Secretary of Health and Environment as necessary for refineries to comply with federal environmental standards.

- **Film Production.** Credits may be claimed for certain eligible film production expenses in the amount of 30 percent of direct production expenditures made in Kansas.
- **Historic Preservation.** Two types of credits may be claimed for certain historic structure rehabilitation expenditures; and for certain restoration, preservation or operation of historic sites.
- **Individual Development Accounts.** Credits may be claimed by program contributors helping fund individual development accounts equal to 50 percent of qualified contribution amounts.
- **Center for Entrepreneurship.** Credits may be claimed up to 75 percent of certain qualifying donations to the Kansas Center for Entrepreneurship.
- **Single City Port Authority.** Credits may be claimed for amounts equal to debt retirement costs of a single city port authority not to exceed \$500,000 in any given fiscal year.
- **Biofuel Storage and Blending Equipment.** Credits may be claimed equivalent to a certain percentage of expenditures for qualifying biofuel storage and blending equipment.
- **Farm Net-Operating-Loss Carrybacks.** Tax overpayments resulting from adjustments from farm net-operating-loss carrybacks in excess of \$1,500 in any given year may be carried forward and claimed as a tax credit against future years' liability.
- **Other Credits.** Other credits against liability include amounts paid pursuant to withholding and declarations of estimated tax. KSA 79-32,111 also allows a credit for income taxes paid to another state.
- **Disposition of Revenues.** To the State General Fund, except that a small portion of employer withholding taxes applied to individuals may be diverted to the Kansas Investments in Major Projects and Comprehensive Training (IMPACT) and Promoting Employment Across Kansas (PEAK) programs.

Net Collections: (\$ in thousands)

	<u>Individual</u>	<u>Corporation</u>	<u>Total</u>
FY 2010	\$ 2,457,704	\$ 224,940	\$ 2,682,644
FY 2009	2,731,560	240,258	2,971,818
FY 2008	2,944,851	432,078	3,376,929
FY 2007	2,744,934	442,324	3,187,258
FY 2006	2,401,129	350,204	2,751,333

Privilege (Income) Tax – Financial Institutions

Enacted: 1963, effective January 1, 1964, in lieu of the former 5 mill intangibles tax on banks, savings and loan associations, and trust companies.

Statutory Citation: KSA, Ch. 79, Art. 11.

Administration and Collection: Department of Revenue, Division of Taxation.

Collection Period: Tax is due by the 15th day of the fourth month following the close of institution's federal tax year, but estimated payments have been required since tax year

1993 in essentially the same manner as for corporations that pay income tax.

Tax Base: Net income, as defined by the law, for the preceding taxable year. Legislation enacted in 1996 provides an apportionment formula for the income of multi-state institutions.

Changes in Tax Base: In 1972, the federal income tax deduction on privilege tax returns of financial institutions was disallowed for one tax year. Disallowance of this deduction was extended indefinitely in 1973. Beginning with 1973 returns, a credit against the privilege tax for personal property taxes was eliminated and instead of the direct credit such taxes are now deductible in computing net income. In 1979, the tax base was expanded to include income earned on state and local bonds. In 1998, legislation required institutions to file consolidated returns with any subsidiaries owning, holding, or managing part of the institutions' securities portfolios.

Present Rates: Banks – 2.25 percent plus 2.125 percent surtax on taxable income over \$25,000; Savings and Loan Associations and Trust Companies – 2.25 percent plus 2.25 percent surtax on taxable income over \$25,000.

History of Tax Rates	1963	1970	1972	1979	1998
Banks					
Taxable Income					
First \$25,000	5%	5.5%	5%	4.25%	2.25%
\$25,001 +	5	7.75	7.25	6.375	4.375

Savings and Loans and Trust Companies

Taxable Income					
First \$25,000	5	5	4.5	4.5	2.25
\$25,001 +	5	7.25	6.75	6.75	4.5

Special Credits: Taxpayers may be allowed credits against the tax for expenditures for providing child day care assistance and accessibility to the handicapped and for making certain agricultural production loans with reduced interest rates. Additional credits are available to the extent of 25 percent of property taxes paid on commercial and industrial machinery and equipment.

Disposition of Revenue: To the State General Fund.

Net Collections: (\$ in thousands)

FY 2010	\$	16,515
FY 2009		26,192
FY 2008		33,160
FY 2007		31,126
FY 2006		31,058

SALES AND USE TAXES

State Retail Sales Tax

Enacted: 1937

Statutory Citation: KSA, Ch. 79, Art. 36.

Administration and Collection: Department of Revenue, Division of Taxation; County Treasurer (certain motor vehicles).

Collection Period: KSA 79-3607 and 75-5151 provide for collections as follows:

Retailer's Annual Collections	Filing Requirement
\$80 or less	Annually, on or before January 25.
\$80.01 to \$3,200	Quarterly, on or before the 25th of next succeeding month.
\$3,200.01 to \$32,000	Monthly, on or before the 25th of next succeeding month.
\$32,000.01 and above	Monthly, on or before the 25th of next succeeding month and must include liability of first 15 days of current month.

Tax Base: Gross receipts from retail sales of tangible personal property and certain services.

Present Rate: 6.30 percent on most taxable transactions, effective July 1, 2010.

History of Tax Rates: 2 percent from enactment in 1937 until increased to 2.5 percent by 1958 Special Session;

increased to 3 percent in 1965; to 4 percent in 1986; to 4.25 percent in 1989; to 4.90 percent in 1992; to 5.30 percent in 2002; and to 6.30 percent in 2010. The rate will be reduced to 5.70 percent on July 1, 2013, pursuant to the 2010 legislation that also raised the rate from 5.30 to 6.30 percent.

Major Changes in Tax Base:

- The 1957 Legislature extended tax to hotel and motel rentals and to isolated sales of motor vehicles and trailers.
- In 1961 the tax was extended to cigarettes and cereal malt beverages.
- 1970 and 1971 legislation included intrastate delivery charges as a part of selling price (interstate charges had been included); taxed admissions to fairs and to sports participation and recreational activities (including country club and similar dues); taxed

receipts from all coin-operated devices (except laundromats); made laundry (except coin-operated), dry cleaning and car washing and waxing services subject to the tax; taxed cable TV and radio services and newspaper sales; applied the tax to charges for installation, maintenance, servicing, and repairing of tangible personal property (except in the original construction of buildings); made purchases by religious, benevolent, or charitable organizations (other than hospitals) subject to the tax; and exempted tangible personal property directly and immediately consumed in production of goods or services as a class rather than by listing of specifically exempt "consumables."

- 1971 legislation provided a procedure for exempt purchases by contractors on federal projects.
- The 1977 Legislature clarified and reenacted the sections taxing certain labor services and exempted prescription drugs, insulin, and prosthetic and orthopedic appliances from the tax.
- A three-year exemption for sales of used farm machinery and equipment, parts, and repair services thereon was enacted in 1978, and was made permanent in 1980.
- Sales of electric, gas, and water utilities and heating fuel for residential and agricultural use, along with local intrastate telephone and telegraph charges for noncommercial use were exempted from the state (but not local) sales tax in 1979.
- Legislation in 1980 exempted sales of materials and services used in repairing or manufacturing railroad rolling stock used in interstate commerce.
- The 1981 Legislature specified that the sales tax shall apply to the gross receipts from the sale of computer software and redefined the exemption for projects of political subdivisions to allow either an exemption for projects fully funded by the subdivision or a partial refund of sales tax paid on projects only partially funded by a political subdivision, e.g., a project partly financed with industrial revenue bonds.
- A refund for the amount of tax paid on property or services purchased for the construction, equipping, or reconstructing of a new business facility in an enterprise zone was enacted in 1982 and modified in 1983. The 1986 Legislature changed this refund to an exemption.
- The 1984 Legislature enacted an exemption for certain manufacturing machinery and equipment expenditures of at least \$50,000 that created two full-time production jobs.
- In 1985 an exemption for used mobile homes was enacted.
- Food purchased with food stamps was exempted in 1986.
- A number of new exemptions were enacted in 1987, including sales and repair of used farm machinery and equipment used in the operation of feedlots; sales of property purchased by nonprofit tissue and organ banks; property purchased with federal vouchers under the supplemental women, infants, and children (WIC) food program; medical supplies and equipment not used for human habitation purposes purchased directly by nonprofit nursing homes; property not used for human habitation purposes

purchased by nonprofit organizations for nonsectarian comprehensive multidiscipline youth development programs; property not used for human habitation purposes purchased by qualifying mental health and mental retardation centers; the sale and installation of machinery and equipment purchased for installation at qualifying facilities within enterprise zones; lottery tickets; and, to the extent of 40 percent of total selling price, the sale of new mobile homes.

- The 1988 Legislature exempted all sales of: manufacturing machinery and equipment, effective January 1, 1989; new farm machinery, repair, and replacement parts from July 1, 1988 through June 30, 1989; seeds and tree seedlings and certain other property and services purchased for use on land devoted to agricultural use; food products for use in preparing meals for consumption by indigent or homeless individuals on or off the premises; admissions to certain cultural and historical events occurring triennially; tangible personal property purchased by a community action group or agency for the exclusive purpose of repairing or weatherizing housing occupied by low-income individuals; certain educational materials purchased by nonprofit corporations organized for the purpose of encouraging, fostering, and conducting programs for the improvement of public health; drill bits and explosives used in the exploration and production of oil or gas; and certain advertising agency and licensed broadcasting station services. The exemption for labor services for restoration or replacement of facilities or buildings damaged or destroyed by windstorm, hailstorm, rainstorm, or snowstorm was replaced by an exemption for restoration or replacement of facilities or buildings damaged or destroyed by tornado. The application of the tax to computer software was clarified by taxing all sales of software, including services in the modification of software, except custom software developed exclusively for a single end user. Nonrecurring auction sales were exempted if conducted for a single principal not in the business of selling personal property. The tax was extended to telephone answering services, including mobile phone and beeper services. Refunds were authorized on purchases of property and services for use on land in the federal Conservation Reserve Program.
- The exemption for new farm machinery, repair, and replacement parts was made permanent in 1989 and was expanded to include machinery and equipment used in farm and ranch work for hire. Other new exemptions enacted in 1989 included all sales of tangible personal property which admit the purchaser to an annual event sponsored by a 501(c)(3) nonprofit organization and nonprescription drugs purchased pursuant to prescription orders.
- Water protection fees were exempted in 1990.
- In 1991, the exemption for used mobile homes was amended to include "manufactured homes."
- School finance legislation in 1992 repealed six sales tax exemptions. Certain interstate telephone and telegraph services, residential intrastate telephone and telegraph services, trade fixtures, and hotel and motel rooms rented for more than 28 consecutive days were made subject to the new 4.90 percent rate, and original construction labor services and utilities consumed in the production process were made subject to a special 2.50 percent rate. Other base changes in 1992 included new exemptions for purchases of certain public broadcasting stations and for machinery and equipment

used for aquaculture and Christmas tree farming. Also, the definition of "isolated or occasional sale" was expanded to include auction sales on behalf of two principals or households.

- Additional exemptions added in 1994 included fees levied for participation in recreational activities by certain not-for-profit youth recreation organizations, utilities consumed in the severing of oil, entry fees levied in special tournaments sanctioned by national sporting associations, and all sales of propane gas for agricultural use.
- The 2.5 percent sales taxes on original construction labor services and on utilities consumed in production were repealed in 1995, and other exemptions enacted that year included fumigants used in the processing and storing of grains; the treating of wastes derived from a production process; farm machinery and equipment used in the operation of a nursery; sales of utilities delivered to certain property which is exempt from property taxation; certain sales of motor vehicles between family members; and accessories to be attached to motor vehicles to aid disabled persons.
- Exemptions enacted in 1996 included sales of materials and services used in the construction of a Korean War Memorial; and all purchases necessary to construct, reconstruct, repair or replace certain fences damaged by fires.
- Exemptions in 1997 included certain purchases of rural volunteer firefighting organizations; all sales and purchases of a number of different 501(c)(3) organizations; and those purchases by Habitat for Humanity which are incorporated into housing projects.
- A number of new exemptions were added in 1998, including certain purchases by religious organizations; sales of aircraft used directly or through an authorized agent as certified licensed carriers in interstate commerce; broadcast machinery and equipment; sales by or on behalf of certain not-for-profit youth development organizations; purchases and sales made by or on behalf of parent-teacher associations or organizations; membership dues charged by certain humanitarian organizations, as well as youth recreational league activity fees charged by such organizations; purchases of nonprofit zoos and entities contracting to operate zoos; sales of food by certain food distribution programs offering such food below cost; dues charged by veterans' organizations; and labor services associated with residential remodeling.
- Exemptions added in 1999 included a temporary exemption of purchases for construction, repair, or replacement of grain storage facilities; a temporary exemption of purchases of shortline railroads for construction or repair or replacement of track; and purchases of non-profit primary care clinics providing services to medically underserved individuals.
- Legislation in 2000 expanded an exemption for manufacturing machinery and equipment; added an exemption for sales by or on behalf of the Kansas Academy of Science; and extended the grain storage exemption enacted in 1999 for an additional year.

- Exemptions added in 2001 included purchases of public water districts, as well as sales and purchases of Kansas chapters of the Parkinson's Disease Association; and sales as purchases of the National Kidney Foundation of Kansas and Western Missouri.
- Tax base changes enacted in 2002 included the removal of an exemption for certain custom computer software, and a new exemption that was added for certain federal employee hotel room rental transactions.
- A number of new exemptions for not-for-profit entities were added in 2004, including the Heartstrings Community Foundation, the Kansas Coalition Against Sexual and Domestic Violence, the Cystic Fibrosis Foundation, and the Spina Bifida Association. The exemption for custom computer software that had been repealed in 2002 was restored, and another exemption was added for aircraft repair, modification and replacement parts.
- Legislation enacted in 2005 expanded an exemption for hearing aids and replacement parts to include repair services associated with such devices.
- New exemptions enacted in 2006 included a three-year exemption for cash rebates granted by manufacturers for certain car purchases, as well as permanent exemptions provided to a number of additional not-for-profit entities.
- In addition to adding exemptions for a number of additional not-for-profit entities, 2007 legislation provided an exemption for repair services to certain facilities damaged by man-made or natural disasters.
- Legislation in 2008 again extended exemptions to additional not-for-profit groups and also to certain purchases incurred in the construction, reconstruction or remodeling of business facilities located in a specific federal disaster area.
- Exemptions were extended to a number of additional not-for-profit entities in 2009, including Sheltered Living, Inc., the Kansas Fairgrounds Foundation, and the All American Beef Battalion.

Food Sales Tax Refund Program: The current food sales tax refund program enables claimants with Kansas Adjusted Gross Income (KAGI) – plus income from certain governmental bonds and public-sector pensions – of \$35,000 or less to qualify for refunds of up to \$90 per person, provided at least one person in the household is age 55 or above; a dependent under age 18; blind; or otherwise disabled.

The refunds may be claimed as refundable income tax credits. The program originally was enacted in 1978 and available only to qualifying households with income of \$10,000 or less. Legislation expanded the income eligibility threshold to \$13,000 in 1986. The program was expanded substantially in 1998, 2002, and 2010. Refunds of \$42.4 million were paid in FY 2009.

Disposition of Revenue: For FY 2011, 11.427 percent of the receipts are credited to the State Highway Fund (SHF) and the remainder (88.573 percent) to the State General Fund (SGF). (Except that all state sales tax collections from within certain Sales Tax and Revenue (STAR) Bond redevelopment districts are earmarked for the payment of bonds and are not distributed to the SHF or SGF.)

FY 2012 11.26 percent of the receipts to the SHF; and 88.74 percent to the SGF
FY 2013 11.233 percent to the SHF; and 88.767 percent to the SGF
FY 2014 and thereafter 18.421 percent to the SHF; and 81.579 percent to the SGF

Net Collections: (\$ in thousands)

FY 2010	\$1,918,397
FY 2009	1,958,999
FY 2008	1,983,594
FY 2007	1,934,390
FY 2006	1,844,744

Compensating (Use) Tax

Enacted: 1937 (Consumer's); and 1945 (Retailer's).

Statutory Citation: KSA, Ch. 79, Art. 37.

Administration and Collection: Department of Revenue, Division of Taxation; County Treasurer (certain motor vehicles and watercraft).

Collection Period: Same as retail sales tax.

Tax Base: Tangible personal property used, stored, or consumed in Kansas. The law provides that all property purchased or leased within or without Kansas and subsequently used, stored, or consumed in Kansas shall be subject to the compensating tax if the same property or transaction would have been subject to the state retail sales tax had the transaction been made wholly in Kansas. In effect, the consumer's use tax is imposed on Kansas consumers who make retail purchases from non-registered, out-of-state retailers; while the retailer's use tax is collected by registered out-of-state retailers.

If the property already has been subjected to a sales tax in another state, use tax is due only for the difference between the other state's sales tax (if lower than the Kansas rate) and the Kansas use tax. Exemption of property purchased during any month, with a total price of less than \$20, unless purchased from a registered retailer, was repealed in 1967.

Legislation enacted in 1990 redefined "retailer doing business in this state" to include those "engaging in regular or systematic solicitation of sales of tangible personal property in this state by the distribution of catalogs, periodicals, advertising flyers, or other advertising, by means of print, radio, or television media, or by mail, telegraph, telephone, computer

database, cable, optic, microwave, or other communication system for the purpose of effecting retail sales of tangible personal property."

Legislation enacted in 2003 further defined "retailer doing business in this state" to include those having or maintaining permanently, temporarily, directly or indirectly through a subsidiary, agent or representative of an office, warehouse, or other place of business.

Present Rate: 6.30 percent, effective July 1, 2010.

History of Tax Rates: 2 percent from date of enactment until increased to 2.5 percent by 1958 Special Session; increased to 3 percent in 1965; to 4 percent in 1986; to 4.25 percent in 1989; to 4.90 percent in 1992; to 5.30 percent in 2002; and to 6.30 percent in 2010. The rate will be reduced to 5.70 percent on July 1, 2013 under current law.

Exemptions: Besides the sales tax exemptions, other exemptions from the compensating use tax include tangible personal property brought into the state by nonresidents who remain for 60 days or less; and tangible personal property brought into the state by railroads and public utilities for consumption or movement in interstate commerce.

Disposition of Revenue: Same as retail sales tax.

Net Collections: (\$ in thousands)

FY 2010	\$	234,873
FY 2009		268,182
FY 2008		281,153
FY 2007		307,635
FY 2006		282,853

Local Sales and Use Tax

Enacted: Authority for cities and counties to levy local sales taxes was enacted in 1970. Authority for Washburn University was enacted in 1999. More recent legislation has expanded local sales tax authority to a variety of multijurisdictional county districts, as well as transportation development districts (TDD) and community improvement districts (CID). The local use tax originally was imposed on motor vehicles in 1982, expanded to watercraft in 1987, and expanded to mirror the entire state use tax base in 2003.

Statutory Citation: KSA, Ch. 12, Art. 1, 6 and 17.

Administration and Collection: Department of Revenue collects and State Treasurer remits to levying units monthly.

Collection Period: Same as state sales and use tax.

Tax Base: Sales tax—same application and exemptions as state sales tax, with the exception of most residential utility services, which are subject to local taxes but exempt from the state tax.

Present Authorized Tax Rates: Counties may levy a tax up to a normal maximum of 2.0 percent, subject to several exceptions. Sales taxes of up to 1.0 percent may be used for general purposes, but the additional authority (up to 1.0 percent) normally must be used only for the financing of “health care services.” Cities may levy a tax up to 2.0 percent for general purposes, and an additional 1.0 percent authority for special project taxes, provided the special project tax sunsets within 10 years. Community improvement districts may levy a tax of up to 2.0 percent. Transportation development districts may levy a tax of up to 1.0 percent. The Washburn University Board of Regents also has authority to impose a tax of up to 0.65 percent throughout Shawnee County.

Elections normally are required to be held prior to the imposition of or increase in any city or county local sales tax, and a statement describing the purposes for which the taxes will be used must be part of the ballot proposition.

Disposition of Revenue: Revenue from a countywide sales tax not earmarked for health care is apportioned among the county and cities, 50 percent in proportion to total, unitwide property tax levies and 50 percent in proportion to urban and nonurban population. This distribution formula is also subject to a number of exceptions.

Net Local Sales and Use Collections: (\$ in thousands)

FY 2010	\$ 790,813
FY 2009	792,727
FY 2008	861,259
FY 2007	851,549
FY 2006	788,473

Extent of Use as of January 1, 2011: Taxes were being imposed by 242 cities, 87 counties, 30 TDDs, 7 CIDs, the Horsethief Reservoir Benefit District, and Washburn University (total of 368 jurisdictions).

The highest combined local sales tax rate imposed anywhere in the state on 1/1/2011 is 5.0 percent at the Junction City Goody's Plaza Community Improvement District. The combined state and local rate in that jurisdiction is 11.3 percent (6.3 percent, state; 2.0 percent, city; 1.75 percent, CID; and 1.25 percent, county).

In terms of history, three cities in 1971—Lawrence, Topeka, and Manhattan—became the first local units to implement local sales tax authority by imposing 0.5 percent taxes. By 1981, 35 cities and five counties were imposing taxes. The numbers had grown to 100 cities and 57 counties by 1985; to 119 cities and 62 counties by 1990; to 142 cities and 70 counties by 1995; and to 174 cities and 75 counties by 2000.

The following table shows the combined state and local sales and use tax rates in effect on January 1, 2011.

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Junction City Goody's Plaza CID	11.300%
Hays 48th & Roth Avenue CID	10.550%
Olathe Great Mall of the Great Plains CID	10.150%
Leawood Park Place TDD	10.050%
Leawood Shops of 119th Street TDD	10.050%
Kansas City Happy Foods TDD	9.925%
Kansas City Plaza at the Speedway #2 TDD	9.925%
Kansas City Prescott Plaza TDD	9.925%
Ottawa South 59 TDD	9.900%
Lawrence Free State TDD	9.850%
Lawrence Oread TDD	9.850%
Pomona	9.800%
Sedan	9.800%
Wabaunsee County Maple Hill Travel Store CID	9.800%
Roeland Park Shopping Center #1 TDD	9.775%
Olathe Entertainment District Phase 3 TDD	9.650%
Olathe Gateway No. 1a TDD	9.650%
Olathe Gateway No. 1b TDD	9.650%
Olathe Pointe TDD	9.650%
Olathe Ridgeview Falls TDD	9.650%
Overland Park Dear Creek TDD	9.650%
Ellsworth TDD	9.550%
Junction City	9.550%
Kansas City Legends TDD	9.525%
Kansas City Plaza at the Speedway #1 TDD	9.525%
Kansas City Plaza at the Speedway #3 TDD	9.525%
Kansas City Village West-West End TDD	9.525%
Prairie Village "The Village" CID	9.525%
Prairie Village Corinth Square CID	9.525%
Carbondale	9.300%
Cedar Vale	9.300%
Coffeyville	9.300%
Fort Scott EMD CID	9.300%
Hays TDD	9.300%
Lansing Town Center TDD	9.300%
Neodesha	9.300%
Bonner Springs (Johnson Co.)	9.275%
De Soto (Johnson Co.)	9.275%
Roeland Park Shopping Center #2 TDD	9.275%
Overland Park Oak Park Mall TDD	9.150%
Basehor Wolf Creek Junction TDD	9.050%
Bonner Springs (Leavenworth Co.)	9.050%
Bonner Springs (Wyandotte Co.)	9.050%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Caney	9.050%
Cherryvale	9.050%
Chetopa	9.050%
De Soto (Leavenworth Co.)	9.050%
Leawood	9.050%
Manhattan Limey Pointe (Pottawatomie Co.) TDD	9.050%
Manhattan Limey Pointe (Riley Co.) TDD	9.050%
Manhattan Marketplace TDD	9.050%
Spring Hill (Miami Co.)	9.050%
Tonganoxie	9.050%
Wamego	9.050%
Yates Center	9.050%
Fairway	9.025%
Gardner	9.025%
Kansas City Village West-East End TDD	9.025%
Spring Hill (Johnson Co.)	9.025%
Dodge City	8.950%
Topeka	8.950%
Topeka Heartland Park Redevelopment District STAR Bond	8.950%
Kansas City	8.925%
Kansas City Race Track STAR Bond	8.925%
Kansas City Waterpark Village STAR Bond Schlitterbahn Water Park	8.925%
Lenexa	8.900%
Ottawa	8.900%
Lawrence	8.850%
Alma	8.800%
Arkansas City	8.800%
Baxter Springs	8.800%
Columbus	8.800%
Emporia	8.800%
Erie	8.800%
Galena	8.800%
Hartford	8.800%
Herington (Dickinson Co.)	8.800%
Herington (Morris Co.)	8.800%
Hiawatha	8.800%
Horton	8.800%
Kincaid	8.800%
Larned	8.800%
Lindsborg	8.800%
Louisburg	8.800%
Neosho Rapids	8.800%
Paola	8.800%
Paxico	8.800%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Sabetha (Brown Co.)	8.800%
Scammon	8.800%
Scott City	8.800%
St Marys (Wabaunsee Co.)	8.800%
Weir	8.800%
Wellsville	8.800%
Williamsburg	8.800%
Merriam	8.775%
Mission	8.775%
Roeland Park	8.775%
Shawnee	8.775%
Olathe	8.650%
Overland Park	8.650%
Pittsburg TDD	8.600%
Altamont	8.550%
Andover	8.550%
Atchison	8.550%
Baldwin City	8.550%
Chanute	8.550%
Edna	8.550%
Effingham	8.550%
Ellsworth	8.550%
Goodland	8.550%
Grandview Plaza	8.550%
Hays	8.550%
Hill City	8.550%
Humboldt	8.550%
Independence	8.550%
Kanorado	8.550%
Liberal	8.550%
Manhattan (Pottawatomie Co.)	8.550%
Manhattan (Riley Co.)	8.550%
Manhattan Flint Hills Discovery Center STAR Bond North	8.550%
Manhattan Flint Hills Discovery Center STAR Bond South	8.550%
Maple Hill	8.550%
Morland	8.550%
Osawatomie	8.550%
Oswego	8.550%
Parsons	8.550%
Sherman County	8.550%
Wellington	8.550%
Willard (Wabaunsee Co.)	8.550%
Edgerton	8.525%
Mission Hills	8.525%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Prairie Village	8.525%
Westwood	8.525%
Westwood Hills	8.525%
Auburn	8.450%
Garden City	8.450%
Rossville	8.450%
Agenda	8.300%
Americus	8.300%
Argonia	8.300%
Arma	8.300%
Basehor	8.300%
Belle Plaine	8.300%
Belleville	8.300%
Bird City	8.300%
Bronson	8.300%
Bunker Hill	8.300%
Burdett	8.300%
Burlingame	8.300%
Burlington	8.300%
Burrton	8.300%
Caldwell	8.300%
Canton	8.300%
Chautauqua	8.300%
Chautauqua County	8.300%
Cheyenne County	8.300%
Clay Center	8.300%
Colby	8.300%
Concordia	8.300%
Conway Springs	8.300%
Cottonwood Falls	8.300%
Council Grove	8.300%
Courtland	8.300%
Cuba	8.300%
Delphos	8.300%
Dorrance	8.300%
Easton	8.300%
Edwardsville	8.300%
Elgin	8.300%
Ellis	8.300%
Elwood	8.300%
Eudora	8.300%
Eureka	8.300%
Florence	8.300%
Fort Scott	8.300%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Fredonia	8.300%
Frontenac	8.300%
Garfield	8.300%
Garnett	8.300%
Gas	8.300%
Girard	8.300%
Glasco	8.300%
Gorham	8.300%
Greensburg	8.300%
Halstead	8.300%
Harvey County	8.300%
Hesston	8.300%
Highland	8.300%
Hillsboro	8.300%
Hoxie	8.300%
Iola	8.300%
Kanopolis	8.300%
Kinsley	8.300%
La Cygne	8.300%
Lansing	8.300%
Leavenworth	8.300%
Lecompton	8.300%
Leoti	8.300%
Linwood	8.300%
Longford	8.300%
Lucas	8.300%
Luray	8.300%
Lyndon	8.300%
Lyons	8.300%
McPherson	8.300%
Meade	8.300%
Miltonvale	8.300%
Minneapolis	8.300%
Moscow	8.300%
Munden	8.300%
Narka	8.300%
Newton	8.300%
Nickerson	8.300%
Niotaze	8.300%
North Newton	8.300%
Oak Hill	8.300%
Oakley (Logan County)	8.300%
Ogden	8.300%
Olpe	8.300%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Onaga	8.300%
Osage City	8.300%
Oskaloosa	8.300%
Overbrook	8.300%
Oxford	8.300%
Paradise	8.300%
Parker	8.300%
Pawnee County	8.300%
Peabody	8.300%
Peru	8.300%
Pittsburg	8.300%
Plainville	8.300%
Princeton	8.300%
Republic	8.300%
Republic County	8.300%
Riley	8.300%
Rolla	8.300%
Rozel	8.300%
Russell	8.300%
Russell County	8.300%
Sabetha (Nemaha Co.)	8.300%
Scandia	8.300%
Scott County	8.300%
Scranton	8.300%
Sedgwick (Harvey Co.)	8.300%
Selden	8.300%
Seneca	8.300%
Sheridan County	8.300%
St Francis	8.300%
St Marys (Pottawatomie Co.)	8.300%
St Paul	8.300%
Sterling	8.300%
Strong City	8.300%
Thayer	8.300%
Troy	8.300%
Valley Falls	8.300%
Wakefield	8.300%
Waldo	8.300%
Walton	8.300%
Washington	8.300%
Wathena	8.300%
Westmoreland	8.300%
Wichita County	8.300%
Wilson	8.300%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Salina	8.200%
Willard (Shawnee Co.)	8.200%
Abilene	8.150%
Atwood	8.050%
Fontana	8.050%
Great Bend	8.050%
Herndon	8.050%
Hutchinson	8.050%
Kingman	8.050%
Mankato	8.050%
Marion	8.050%
McDonald	8.050%
Medicine Lodge	8.050%
Pratt	8.050%
Rawlins County	8.050%
Richmond	8.050%
Salt Mine Museum Hutchinson STAR Bond	8.050%
South Hutchinson	8.050%
Beloit	8.000%
Bucklin	7.950%
Ford	7.950%
Ford County	7.950%
Holcomb	7.950%
Holton	7.950%
Spearville	7.950%
Admire	7.800%
Allen	7.800%
Alta Vista	7.800%
Alton	7.800%
Anderson County	7.800%
Blue Rapids	7.800%
Brown County	7.800%
Burden	7.800%
Bushong	7.800%
Chase	7.800%
Cherokee County	7.800%
Claffin	7.800%
Collyer	7.800%
Colony	7.800%
Derby	7.800%
Downs	7.800%
Ellinwood	7.800%
Eskridge	7.800%
Everest	7.800%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Fairview	7.800%
Franklin County	7.800%
Geneseo	7.800%
Glade	7.800%
Greeley	7.800%
Hamlin	7.800%
Harveyville	7.800%
Hoisington	7.800%
Hugoton	7.800%
Lane	7.800%
Logan County	7.800%
Lone Elm	7.800%
Lyon County	7.800%
Mayfield	7.800%
McFarland	7.800%
Moran	7.800%
Morrill	7.800%
Natoma	7.800%
Oakley (Gove County)	7.800%
Oakley (Thomas County)	7.800%
Osborne	7.800%
Osborne County	7.800%
Perry	7.800%
Phillipsburg	7.800%
Portis	7.800%
Powhattan	7.800%
Protection	7.800%
Rantoul	7.800%
Reading	7.800%
Reserve	7.800%
Robinson	7.800%
Roseland	7.800%
Russell Springs	7.800%
Smith Center	7.800%
Stockton	7.800%
Syracuse	7.800%
Toronto	7.800%
Treece	7.800%
Udall	7.800%
Wabaunsee County	7.800%
WaKeeney	7.800%
Waterville	7.800%
West Mineral	7.800%
Westphalia	7.800%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Willis	7.800%
Winfield	7.800%
Winona	7.800%
Circleville	7.700%
Delia	7.700%
Denison	7.700%
Hoyt	7.700%
Jackson County	7.700%
Mayetta	7.700%
Netawaka	7.700%
Soldier	7.700%
Whiting	7.700%
Almena	7.550%
Atchison County	7.550%
Augusta	7.550%
Bartlett	7.550%
Benton	7.550%
Bogue	7.550%
Douglass	7.550%
El Dorado	7.550%
Geary County	7.550%
Graham County	7.550%
Grinnell	7.550%
Huron	7.550%
Kismet	7.550%
Labette	7.550%
Labette County	7.550%
Lancaster	7.550%
Miami County	7.550%
Milford	7.550%
Mound Valley	7.550%
Muscotah	7.550%
Norton	7.550%
Potwin	7.550%
Rose Hill	7.550%
Seward County	7.550%
Spivey	7.550%
Towanda	7.550%
Johnson County	7.525%
Lake Quivira (Johnson Co.)	7.525%
Mission Woods	7.525%
Cimarron	7.450%
Copeland	7.450%
Ensign	7.450%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Finney County	7.450%
Gray County	7.450%
Hanston	7.450%
Hodgeman County	7.450%
Ingalls	7.450%
Jetmore	7.450%
Montezuma	7.450%
Shawnee County	7.450%
Silver Lake	7.450%
Abbyville	7.300%
Albert	7.300%
Alden	7.300%
Allen County	7.300%
Andale	7.300%
Arcadia	7.300%
Arlington	7.300%
Ashland	7.300%
Assaria	7.300%
Athol	7.300%
Attica	7.300%
Aurora	7.300%
Axtell	7.300%
Barber County	7.300%
Barnard	7.300%
Barnes	7.300%
Barton County	7.300%
Bassett	7.300%
Bel Aire	7.300%
Belpre	7.300%
Belvue	7.300%
Bennington	7.300%
Bentley	7.300%
Bern	7.300%
Beverly	7.300%
Bourbon County	7.300%
Brewster	7.300%
Brookville	7.300%
Buhler	7.300%
Burns	7.300%
Burr Oak	7.300%
Bushton	7.300%
Byers	7.300%
Carlton	7.300%
Cawker City	7.300%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Cedar	7.300%
Cedar Point	7.300%
Centralia	7.300%
Chapman	7.300%
Chase County	7.300%
Cheney	7.300%
Cherokee	7.300%
Clay County	7.300%
Clayton (Decatur County)	7.300%
Clearwater	7.300%
Clifton (Clay County)	7.300%
Clifton (Washington County)	7.300%
Climax	7.300%
Cloud County	7.300%
Clyde	7.300%
Coats	7.300%
Coldwater	7.300%
Colwich	7.300%
Corning	7.300%
Crawford County	7.300%
Cullison	7.300%
Culver	7.300%
Dearing	7.300%
Decatur County	7.300%
Deerfield	7.300%
Denton	7.300%
Dickinson County	7.300%
Dighton	7.300%
Doniphan County	7.300%
Douglas County	7.300%
Dresden	7.300%
Dunlap	7.300%
Durham	7.300%
Dwight	7.300%
Earlton	7.300%
Eastborough	7.300%
Edwards County	7.300%
Elk County	7.300%
Elk Falls	7.300%
Elkhart	7.300%
Ellsworth County	7.300%
Elmdale	7.300%
Elsmore	7.300%
Emmett	7.300%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Enterprise	7.300%
Esbon	7.300%
Fall River	7.300%
Formoso	7.300%
Fowler	7.300%
Frankfort	7.300%
Frederick	7.300%
Fulton	7.300%
Galatia	7.300%
Galesburg	7.300%
Galva	7.300%
Garden Plain	7.300%
Gaylord	7.300%
Gem	7.300%
Geuda Springs (Sumner Co.)	7.300%
Glen Elder	7.300%
Goddard	7.300%
Goessel	7.300%
Goff	7.300%
Gove	7.300%
Gove County	7.300%
Grainfield	7.300%
Greeley County	7.300%
Green	7.300%
Greenleaf	7.300%
Greenwood County	7.300%
Grenola	7.300%
Gypsum	7.300%
Haddam	7.300%
Hamilton	7.300%
Hanover	7.300%
Hardtner	7.300%
Harper	7.300%
Haven	7.300%
Havensville	7.300%
Haviland	7.300%
Haysville	7.300%
Hazelton	7.300%
Hepler	7.300%
Hollenberg	7.300%
Holyrood	7.300%
Hope	7.300%
Horace	7.300%
Howard	7.300%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Hudson	7.300%
Hunnewell	7.300%
Hunter	7.300%
Inman	7.300%
Isabel	7.300%
Iuka	7.300%
Jamestown	7.300%
Jefferson County	7.300%
Jennings	7.300%
Jewell	7.300%
Jewell County	7.300%
Johnson City	7.300%
Kechi	7.300%
Kensington	7.300%
Kiowa	7.300%
Kiowa County	7.300%
La Crosse	7.300%
La Harpe	7.300%
Lake Quivira (Wyandotte Co.)	7.300%
Lakin	7.300%
Langdon	7.300%
Latimer	7.300%
Le Roy	7.300%
Leavenworth County	7.300%
Lebanon	7.300%
Lebo	7.300%
Lehigh	7.300%
Leona	7.300%
Leonardville	7.300%
Lewis	7.300%
Lincoln Center	7.300%
Lincoln County	7.300%
Lincolnville	7.300%
Linn	7.300%
Little River	7.300%
Longton	7.300%
Lorraine	7.300%
Lost Springs	7.300%
Louisville	7.300%
Macksville	7.300%
Madison	7.300%
Mahaska	7.300%
Maize	7.300%
Manchester	7.300%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Manter	7.300%
Mapleton	7.300%
Marion County	7.300%
Marquette	7.300%
Marysville	7.300%
Matfield Green	7.300%
McCune	7.300%
McLouth	7.300%
McPherson County	7.300%
Meade County	7.300%
Melvern	7.300%
Menlo	7.300%
Meriden	7.300%
Milan	7.300%
Mildred	7.300%
Minneola	7.300%
Mitchell County	7.300%
Moline	7.300%
Morganville	7.300%
Morris County	7.300%
Morrowville	7.300%
Mound City	7.300%
Moundridge	7.300%
Mount Hope	7.300%
Mulberry	7.300%
Mullinville	7.300%
Mulvane (Sedgwick Co.)	7.300%
Mulvane (Sumner Co.)	7.300%
Nemaha County	7.300%
Neosho County	7.300%
Neosho Falls	7.300%
Ness City	7.300%
New Cambria	7.300%
Norcatour	7.300%
Nortonville	7.300%
Oberlin	7.300%
Offerle	7.300%
Olivet	7.300%
Olmitz	7.300%
Olsburg	7.300%
Oneida	7.300%
Osage County	7.300%
Ottawa County	7.300%
Ozawkie	7.300%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Palmer	7.300%
Park	7.300%
Park City	7.300%
Parkerville	7.300%
Partridge	7.300%
Pawnee Rock	7.300%
Plains	7.300%
Pleasanton	7.300%
Plevna	7.300%
Pottawatomie County	7.300%
Pratt County	7.300%
Preston	7.300%
Pretty Prairie	7.300%
Quenemo	7.300%
Quinter	7.300%
Radium	7.300%
Ramona	7.300%
Randall	7.300%
Randolph	7.300%
Raymond	7.300%
Redfield	7.300%
Reno County	7.300%
Rexford	7.300%
Rice County	7.300%
Riley County	7.300%
Saline County	7.300%
Salt Mine Museum Reno County STAR Bond	7.300%
Satanta	7.300%
Savonburg	7.300%
Sawyer	7.300%
Scottsville	7.300%
Sedgwick (Sedgwick Co.)	7.300%
Sedgwick County	7.300%
Severance	7.300%
Severy	7.300%
Seward	7.300%
Sharon	7.300%
Simpson (Cloud Co.)	7.300%
Simpson (Mitchell Co.)	7.300%
Smith County	7.300%
Smolan	7.300%
Solomon (Dickinson Co.)	7.300%
Solomon (Saline Co.)	7.300%
South Haven	7.300%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
St George	7.300%
St John	7.300%
Stafford	7.300%
Stafford County	7.300%
Stanton County	7.300%
Stark	7.300%
Sublette	7.300%
Sumner County	7.300%
Sun City	7.300%
Susank	7.300%
Sylvan Grove	7.300%
Sylvia	7.300%
Tampa	7.300%
Tescott	7.300%
Thomas County	7.300%
Tipton	7.300%
Tribune	7.300%
Turon	7.300%
Ulysses	7.300%
Uniontown	7.300%
Valley Center	7.300%
Victoria	7.300%
Vining (Clay Co.)	7.300%
Vining (Washington Co.)	7.300%
Viola	7.300%
Virgil	7.300%
Walnut	7.300%
Washington County	7.300%
Webber	7.300%
Wetmore	7.300%
Wheaton	7.300%
White City	7.300%
White Cloud	7.300%
Wichita	7.300%
Wichita River Walk STAR Bond Project	7.300%
Willowbrook	7.300%
Wilmore	7.300%
Wilsey	7.300%
Winchester	7.300%
Windom	7.300%
Woodbine	7.300%
Woodson County	7.300%
Wyandotte County	7.300%
Clayton (Norton County)	7.050%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Cunningham	7.050%
Edmond	7.050%
Kingman County	7.050%
Lenora	7.050%
Nashville	7.050%
Norton County	7.050%
Norwich	7.050%
Penalosa	7.050%
Zenda	7.050%
Agra	6.800%
Anthony	6.800%
Atlanta	6.800%
Cambridge	6.800%
Coolidge	6.800%
Cowley County	6.800%
Dexter	6.800%
Geuda Springs (Cowley Co.)	6.800%
Hamilton County	6.800%
Haskell County	6.800%
Kirwin	6.800%
Logan	6.800%
Long Island	6.800%
Parkerfield	6.800%
Phillips County	6.800%
Prairie View	6.800%
Ransom	6.800%
Speed	6.800%
Trego County	6.800%
Butler County	6.550%
Cassoday	6.550%
Elbing	6.550%
Latham	6.550%
Leon	6.550%
Whitewater	6.550%
Alexander	6.300%
Altoona	6.300%
Bazine	6.300%
Beattie	6.300%
Benedict	6.300%
Bison	6.300%
Blue Mound	6.300%
Bluff City	6.300%
Brownell	6.300%
Buffalo	6.300%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Clark County	6.300%
Coffey County	6.300%
Comanche County	6.300%
Coyville	6.300%
Damar	6.300%
Danville	6.300%
Elk City	6.300%
Ellis County	6.300%
Englewood	6.300%
Freeport	6.300%
Grant County	6.300%
Gridley	6.300%
Harper County	6.300%
Havana	6.300%
Kearny County	6.300%
Lane County	6.300%
LeRoy	6.300%
Liberty	6.300%
Liebenthal	6.300%
Linn County	6.300%
Linn Valley	6.300%
Marshall County	6.300%
McCracken	6.300%
Montgomery County	6.300%
Morton County	6.300%
Ness County	6.300%
New Albany	6.300%
New Strawn	6.300%
Oketo	6.300%
Otis	6.300%
Palco	6.300%
Prescott	6.300%
Richfield	6.300%
Rooks County	6.300%
Rush Center	6.300%
Rush County	6.300%
Schoenchen	6.300%
Sharon Springs	6.300%
Stevens County	6.300%
Summerfield	6.300%
Timken	6.300%
Tyro	6.300%
Utica	6.300%
Vermillion	6.300%

**Combined State and Local Sales Tax Rate by
Jurisdiction as of January 1, 2011**

	Rate
Waldron	6.300%
Wallace	6.300%
Wallace County	6.300%
Waverly	6.300%
Wilson County	6.300%
Woodston	6.300%
Zurich	6.300%