

Kansas Tax Facts

Seventh Edition



December 2000

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Kansas Tax Facts

A Reference Booklet on State and Local Taxes

Seventh Edition

December 2000

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FOREWORD

This is the seventh edition of *Kansas Tax Facts*, the first six editions being published in 1962, 1965, 1971, 1976, 1983, and 1993. The main purpose of *Tax Facts* is to provide basic information on state and local taxes in a convenient format which can be used as a reference source on the Kansas tax system as it has evolved since statehood. Special emphasis is placed on the period since 1930. Legislation enacted through 2000 which affects state and local taxes is reflected in this edition.

Chris Courtwright and April Holman of the Kansas Legislative Research Department were primarily responsible for preparation of the seventh edition. Once again, the Department expresses its appreciation to the state tax administrative agencies and to the Division of Accounts and Reports of the Department of Administration for their assistance in providing basic data for *Tax Facts*.

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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 sixth edition came out in 1993. Since then, there have been many 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 1994-2000 period, the Legislature provided major reductions in the mandatory school district general fund property tax levy - from 35 to 20 mills - in addition to an exemption from that levy for residential property to the extent of the first \$20,000 of its valuation. The aggregate tax lid on local units of government was extended three times before sunseting in 1999 and being replaced by a new “truth in taxation” lid. Owners of business machinery and equipment and certain low-producing oil leases were authorized to receive credits helping them offset part of their property tax liability. The Homestead Property Tax Relief program was expanded significantly. The 1995 Legislature also enacted major reductions in the in-lieu-of property tax on motor vehicles which were phased in over a five-year period from 1996 through 2000.

The Legislature repeatedly expanded local sales tax authority, and local governments utilized this new authority, as these taxes continued to grow in importance in the overall state and local finance structure. A number of new sales tax exemptions were enacted which affected the state and local sales tax bases, including utilities consumed in the production or manufacture of tangible personal property; original construction labor services; residential remodeling labor services; and religious purchases.

Major restructuring of individual income taxes included equalizing rates for joint and single filers and increasing personal exemption and standard deduction amounts. The state also enacted an earned income tax credit (EITC) - which piggybacks on the federal EITC - and expanded and modified the food sales tax rebate program to allow eligible taxpayers to claim the rebates as refundable income tax credits. Other notable income tax developments included the provision of the Kansas Postsecondary Education Savings Program - which was granted favorable state income tax treatment – and a legislatively enacted settlement of income tax refund claims of military retirees.

Other significant changes included severance tax reductions (a major rate reduction for gas and various expanded exemptions for both oil and gas); the repeal of the state's inheritance tax; increases in motor fuel taxes and additional earmarking of sales taxes associated with the comprehensive transportation program enacted in 1999; a multi-year moratorium on unemployment compensation taxes for certain employers; a rate reduction in the financial institutions privilege tax; and various insurance tax reform measures.

Kansas has had a broad-based 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.

Part I of *Kansas Tax Facts* is devoted to highlights; discussion of state-imposed taxes, including disposition of state tax revenue and formulas for distribution of state-shared taxes with local units; comments on locally-imposed taxes and on combined state and local taxes; and tables showing state and local tax revenue and other data for selected fiscal years from 1930 to 2000.

Part II of this handbook presents the details on each of the state and local taxes. Information presented for each source includes the date of enactment, current and historical rates, base of the tax, and disposition of revenue.

Note: The courts have held that the mandatory school district general fund property tax levy imposed by 1992 legislation is a state tax. But for purposes of this publication and maintenance of historical tables, collections from school district general fund levies – both before and after 1992 – are treated as local (and not state) taxes.

Some Highlights of This Report

1. In FY 2000, state and local tax revenue in Kansas totaled \$7.900 billion, or \$2,977 per capita. State taxes accounted for 62 percent of the total. (The tax revenue figure would be slightly higher if current data were available on certain locally-imposed taxes for which no data are collected.) Table I provides information on state and local taxes by source for FY 1999 and FY 2000.
2. Local governments, however, spend most of the state and local tax revenue. In FY 2000, local government tax revenue was \$3.019 billion and local units received another \$2.744 billion from state taxes allocated to or shared with them. Thus, local units received \$5.763 billion, or 73 percent, of total state and local taxes in FY 2000. Over 56 percent of the state's tax revenue was shared with or allocated to local units, mostly for education.
3. While the general property tax is still the most important single revenue producer, its proportion of total state and local taxes has steadily declined – from 82 percent of the total in FY 1930, to 56 percent in FY 1960, and to 28 percent in FY 2000 (or about 31 percent if the various vehicle taxes, which are levied in lieu of the general property tax, are included).
4. Income and privilege taxes accounted for 27 percent of state and local tax revenue in FY 2000, compared with only 11 percent as recently as FY 1970 and only 2 percent in FY 1940. Less dramatic, but significant nevertheless, has been the growth of sales and use tax revenue in 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 almost 29 percent in FY 2000. The spread of local sales taxes has contributed to the growth of sales tax revenue since 1970. There were no local sales taxes in 1970; as of August 1, 2000, they were imposed by 75 counties and 174 cities at rates ranging from 0.5 percent to 2.0 percent.

5. State and local tax revenue in FY 2000 was 11.10 percent of CY 1999 Kansas personal income. The corresponding ratios of total tax revenue to personal income were 11.52 percent in FY 1990, 10.46 percent in FY 1980, 11.64 percent in FY 1970, 10.51 percent in FY 1960, 9.49 percent in FY 1950, 14.55 percent in FY 1940, and 10.86 percent in FY 1930.

State-Imposed Taxes

As of FY 2001, the state imposed 43 different taxes for which the Legislature has established the tax base and rate and designated the method of collection and the disposition of the revenue. Most of the 43 taxes are collected by a state agency, but some are collected locally. Taxes authorized to be levied by local officials, at their discretion or with voter approval, are not counted as state-imposed taxes.

Counties collect the mortgage registration tax and retain 25/26 of the revenue. They also collect the taxes on motor and recreational vehicles with, except for the state's share, the revenue therefrom being apportioned among the county and other local units. A relatively small part of the motor vehicle registration tax which is collected locally is retained by counties with the balance being remitted to the state. Revenue from other state-imposed taxes is shared directly, in whole or in part, with local units after being collected by the state. In addition, local units receive a large amount of state aid from the State General Fund which cannot be ascribed to any particular tax sources because General Fund tax and nontax receipts are commingled (taxes accounted for over 97 percent of State General Fund receipts in FY 2000).

As shown by Table II, new state taxes have been enacted during each decade since statehood, except the 1880s. The latest new taxes are on new tires (1990), rental or lease of motor vehicles (1991), instant bingo (1993), recreational vehicles (1994), and dry cleaning and laundering (1995). Other taxes (inheritance, mortgage registration, intangibles, severance, and tobacco products) were reenacted after the initial laws had been repealed or held invalid by the courts.

Contrary to the common impression, some taxes can disappear. The state property tax for general operation was last levied in 1955; the World War I soldier's bonus property tax, first imposed in 1923, was last levied in 1954 when the bonus bonds were retired; and the ton-mile tax, enacted in 1931, was replaced in 1955. The dog tax, a minor source of revenue, was repealed in 1965, and the oleomargarine tax, which apparently never yielded

any revenue, was repealed in 1968. The state-imposed intangibles tax was repealed in 1982, but counties, cities, and townships were given the option of imposing a gross earnings tax on intangibles. The dormant express companies tax was repealed in 1986. In 1988, the grain tax and the motor vehicle dealers' stamp tax were repealed, and currently there is no state property tax levy for buildings at correctional institutions. The tax on finance companies was repealed in 1995, the domestic insurance company privilege tax was eliminated by 1997 legislation, and the inheritance tax was repealed in 1998.

State Tax Revenue

In FY 2000, state tax revenue totaled \$4.881 billion, which was an increase of \$325 million, or 7.1 percent, over collections in FY 1999. A large part of that increase, however, was attributable to the sunseting of a moratorium on unemployment compensation taxes. Absent the growth in this source, state tax receipts grew by 5.8 percent. Data on state taxes by source are available in Tables III and IV.

Income and privilege taxes became the top ranking state tax revenue producers in FY 1978 (supplanting sales and use taxes) and they continued to rank first in FY 2000, accounting for 43.72 percent of total state tax receipts. Sales and use taxes ranked second (35.73 percent); third were the motor fuels taxes (7.35 percent). Property taxes contributed only 0.94 percent of state tax revenue. See Table IV for the details on state tax collections for selected fiscal years, 1930-2000.

For FY 2000, Table V shows state tax revenues in descending order of importance and how much of such revenue was credited to the State General Fund and to other state funds. In that year, 83.95 percent went to the General Fund and 16.05 percent was earmarked for other funds.

Table VI provides more detail on the disposition of state tax revenue, *i.e.*, where the money goes. As shown by Table V, most such revenue is deposited in the State General Fund, some of which is earmarked for subsequent transfer to other funds, but receipts from certain taxes are dedicated to funds other than the General Fund, *e.g.*, motor fuels and vehicle registration taxes, unemployment compensation tax, and property taxes for educational and institutional buildings.

As can be seen from Table VI, some state-imposed taxes are required by law to be shared with local units of government. The distribution formulas pertaining to such taxes are summarized in Table VII.

Tax receipts to the State General Fund (SGF) in FY 2000 were \$4.098 billion, or about 84 percent of the \$4.881 billion in total state taxes. Individual income taxes, corporation income taxes, and sales and use taxes accounted for over 91 percent of the \$4.098 billion in SGF tax receipts. The same four sources comprised just over 80 percent of SGF taxes in FY 1985.

Percent of SGF Tax Revenue by Source

| | <u>FY 1985</u> | <u>FY 2000</u> |
|--------------------|----------------|----------------|
| Individual Income | 37.60% | 45.26% |
| Sales | 29.83 | 35.15 |
| Corporate Income | 8.85 | 6.10 |
| Use | 4.25 | 5.12 |
| Inheritance/Estate | 1.86 | 1.53 |
| Insurance Premium | 4.40 | 1.48 |
| Liquor and Beer | 2.23 | 1.36 |
| Severance | 6.31 | 1.29 |
| Cigarette/Tobacco | 2.80 | 1.29 |
| All Other | 1.88 | 1.40 |
| TOTAL | <u>100.00%</u> | <u>100.00%</u> |

Local Government Tax Authority

The general property tax remains the most important tax for local governments in Kansas. According to the League of Kansas Municipalities, over 4,000 local governmental units in Kansas are authorized to levy property taxes, including cities, counties, townships, unified school districts, community colleges, Washburn University, and numerous special districts. Although the general property tax as a percentage of total local tax revenue has been declining, the property tax remains the sole tax authority for unified school districts, community colleges, and special districts. These latter local government units, however, do share in the receipts from the various vehicle taxes which are imposed in lieu of the general property tax, and they also share in the receipts from various state imposed taxes.

Cities, counties, and, to a lesser extent, townships have also been granted authority to impose certain nonproperty taxes, and they, too, share in revenues from some state imposed taxes. Cities, by constitutional amendment (Article 12, Section 5), and counties, by statute (KSA 19-101 *et seq.*), have home rule powers which enable them to impose taxes and other charges subject, however, to limitations imposed by legislative enactments. In practice, relatively few local nonproperty taxes have been imposed using home rule powers. The Legislature has prohibited cities and counties from imposing income taxes, and some limits have been imposed on the enactment of most of the other major sources of local nonproperty tax revenue. Townships have no home rule powers.

The major source of local nonproperty tax revenue is a local sales tax. Cities and counties may independently levy sales taxes up to a maximum of 2.0 percent, subject to several exceptions, if approved by the voters of the city or county. (Washburn University also has local sales tax authority.) If a local sales tax is imposed, a local use tax will be imposed on the use of motor vehicles and watercraft purchased out of state in the

jurisdiction or jurisdictions imposing a local sales tax. Generally, revenue from a county sales and use tax is allocated between the county and the cities therein; cities receive all of the revenue from their sales and use taxes.

Another major source of nonproperty tax revenue is the local intangibles earnings tax. This tax was authorized for cities, townships, and counties in 1982 following repeal of the former statewide intangibles property tax. The tax may be imposed by the local governing body, but it may also be imposed or repealed by voter petition and referendum.

Two sources of tax revenue imposed under city home rule powers are city franchise taxes, imposed by most cities on utility receipts for the franchise granted to each utility, and city occupation taxes, imposed by relatively few cities on a tax base limited by legislative enactment. A third tax imposed under home rule power, a "development excise" tax, was authorized by a 1996 court ruling. Cities also have the authority to levy a tax on motor vehicles kept or stored in the city, subject to voter approval, but no city has done so.

Two taxes, in the nature of gross receipts taxes, are authorized for cities and counties for certain limited purposes. These taxes are upon telephone tariff rates for emergency telephone service, and upon transient guest rentals in hotels or motels for the promotion of tourism and conventions.

Not included in a review of local tax revenue are user fees and charges for services and facilities provided by local governments.

Details on each of the above local taxes may be found in the "Local Taxes" section in Part II of this booklet.

Local Government Tax Revenue

Revenue from taxes imposed by local units and from taxes imposed by the state but collected and retained at the local level are shown in Tables VIII and IX for selected fiscal years. There is no central reporting or compilation of annual receipts from occupation taxes, franchise taxes, "911" taxes, and development excise taxes, so they are not included in the tables.

In FY 2000, local government tax revenue which can be explicitly documented totaled \$3.019 billion. The principal components were the general property tax, about \$2.183 billion or 72.3 percent of the total; motor and recreational vehicle taxes (which are levied in lieu of the general property tax), \$254.9 million; and local sales and use taxes, \$513.6 million.

For over 100 years the general property tax was virtually the sole source of local government tax revenue. As recently as FY 1970 the property tax accounted for 98.1 percent of local tax revenue. With the advent of local sales and transient guest taxes in the 1970s, the relative importance of the general property tax has declined somewhat, *e.g.*, to 72.3 percent of total local tax revenue in FY 2000 (80.8 percent if the motor and recreational vehicle taxes are added to the general property tax).

Throughout the 1970s and early 1980s the intangibles tax was a growing source of tax revenue for counties, cities, and townships, *e.g.*, it grew from \$4.5 million in FY 1970 to \$23.2 million in FY 1982. For FY 2000, intangibles tax levies totaled \$4.9 million. The decline was largely attributable to the fact that the tax has become strictly a local option tax and many units have chosen not to impose it.

One can see from Tables VIII and IX the dollar amounts of the general property tax that have been levied by the various types of local units. Shown below is the percentage of the total local property and motor vehicle taxes levied or received by such units.

| | Percent of Local General Property Tax and Motor and Recreational Vehicle Taxes* | | | | | | | |
|----------------|---|---------|---------|---------|---------|---------|---------|---------|
| | FY 2000 | FY 1990 | FY 1980 | FY 1970 | FY 1960 | FY 1950 | FY 1940 | FY 1930 |
| Counties | 29.19% | 22.97% | 21.72% | 20.68% | 22.77% | 28.58% | 30.81% | 22.91% |
| Cities | 20.20 | 16.28 | 18.56 | 16.66 | 15.29 | 15.16 | 18.38 | 18.15 |
| Schools** | 43.58 | 55.92 | 54.97 | 58.97 | 57.67 | 50.04 | 45.46 | 49.87 |
| Townships | 1.72 | 1.35 | 1.41 | 1.70 | 3.32 | 5.79 | 4.85 | 8.63 |
| Special Dists. | 5.32 | 3.48 | 3.34 | 1.99 | 0.95 | 0.43 | 0.50 | 0.44 |
| TOTAL | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

* Motor vehicle tax revenue included beginning in FY 1990 and recreational vehicle revenue beginning in FY 2000.

** Includes school districts, community colleges, municipal universities, and county levies for schools in the years when such levies were made.

School levies consistently have accounted for the largest component of local tax levies, but notice that their portion of the total has declined substantially due to the school finance changes enacted in 1992 and motor vehicle tax changes enacted in 1995. Township levies and special district levies have risen significantly since FY 1990 relative to total local levies.

State and Local Taxes

Table I shows the relative importance of the major components of combined state and local tax revenue in FY 2000, and the percentage increase over FY 1999. General property, income and privilege, and sales and use taxes accounted for 83.6 percent of the total tax revenue; addition of the various vehicle taxes brings the ratio up to 86.9.

For a long range look at changes in the Kansas tax mix, Table X shows the percentage of total state and local tax revenue produced by the major taxes for selected fiscal years 1930-2000. Especially significant are the substantial decline in the relative importance of the general property tax and the growth in reliance on income and privilege taxes and sales and use taxes.

Kansas has achieved close to a balance in the big three sources of state and local tax revenues - sales, income, and property. In FY 2000, for example, property taxes (including vehicle taxes) accounted for 31.3 percent of total state and local revenues; state and local sales and use taxes accounted for 28.6 percent; and income and privilege taxes accounted for 27.0 percent. (The three major sources have been in relative balance since the enactment of the 1992 school finance law. In FY 1992 - prior to the implementation of that law - property and car taxes comprised 38.7 percent of the burden; sales and use taxes 22.7 percent; and income and privilege taxes 21.1 percent.) 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 five years are state, local, and combined state and local tax revenues.

State and Local Tax Revenue

In Thousands

| <u>Fiscal Year</u> | <u>State</u> | <u>Percent Increase</u> | <u>Local</u> | <u>Percent Increase</u> | <u>State and Local</u> | <u>Percent Increase</u> |
|----------------------|--------------|-----------------------------|--------------|-----------------------------|----------------------------|-----------------------------|
| 1996 | 3,954,189 | 3.64% | 2,622,319 | 6.06% | 6,576,508 | 4.59% |
| 1997 | 4,199,176 | 6.20 | 2,704,078 | 3.12 | 6,903,254 | 4.97 |
| 1998 | 4,605,403 | 9.67 | 2,723,830 | 0.73 | 7,329,233 | 6.17 |
| 1999 | 4,555,513 | (1.08) | 2,844,536 | 4.43 | 7,400,049 | 0.97 |
| 2000 | 4,880,939 | 7.14 | 3,019,043 | 6.13 | 7,899,982 | 6.76 |
| Increase FY 96-00 | 926,750 | 23.44% | 396,724 | 15.13% | 1,323,474 | 20.12% |

State Tax Revenue Given to Local Units

Presented in Tables XI and XII are the amounts of state collected taxes allocated to or shared with local units of government in selected fiscal years. The growth in such state aid has been remarkable in absolute terms, rising from only \$3.6 million in FY 1930 and \$14.6 million in FY 1940 to \$2.744 billion in FY 2000. Over 56 percent of all state tax revenue was distributed to local units in FY 2000.

Most state aid now goes for a wide variety of education programs (84.3 percent of the total in FY 2000), which was not always the case. The second largest category of aid is the sharing of state transportation-user taxes with counties and cities.

The reader should be aware that Tables XI and XII do not include all state aid to local units; they receive other forms of aid from nontax sources. Nor, of course, are federal aids included.

State and Local Tax Revenue – Selected Relationships

Table XIII shows how much state and local tax revenue has increased since FY 1930; per capita taxes, both state and local; and tax revenue in relation to Kansas personal income.

The overall state and local tax burden on Kansans relative to their income has remained remarkably constant. State and local taxes as a percent of personal income were 11.10 percent in FY 2000. In FY 1990, the ratio was 11.52 percent; in FY 1980, it was 10.46 percent; in FY 1970, 11.64 percent. In FY 1940, the ratio was 14.55 percent.

Kansas is not a “high” tax state. Using the two major tax burden comparisons (taxes per capita or as a percent of personal income), the state consistently has finished in the mid 20s in state ranking comparisons. For example, Kansas finished #24 in state tax revenue as a percent of personal income for FY 1998, the latest year for which data are available from all states for that statistic. Recently released per capita state tax burden figures for FY 1999 placed Kansas #25.

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.

Figure 1

FY 2000 State and Local Taxes

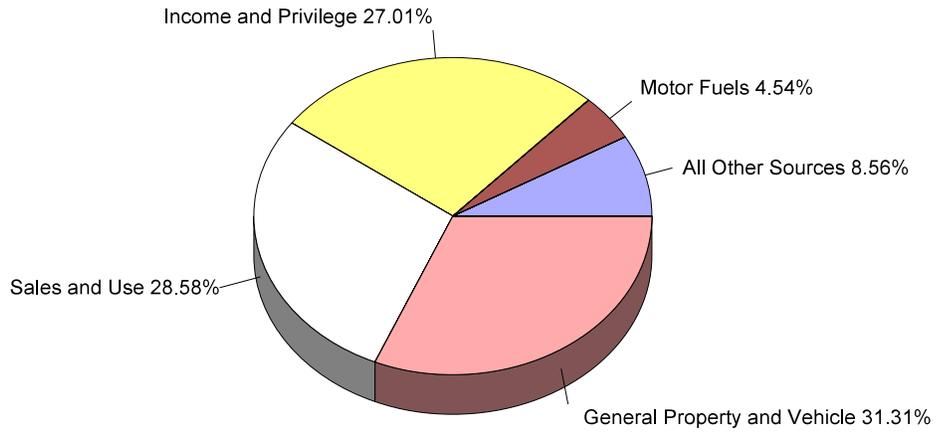


TABLE I
Combined State and Local Tax Revenue (Net)

(\$ in Thousands)

| | FY 1999 | FY 2000 | % of FY 00 Total | % increase from FY 99 |
|---------------------------------|---------------------|---------------------|---------------------|--------------------------|
| Sales and Use ^(a) | \$ 2,157,003 | \$ 2,257,470 | 28.58% | 4.66% |
| General Property ^(b) | 2,057,957 | 2,212,241 | 28.00 | 7.50 |
| Income and Privilege | 1,950,115 | 2,134,043 | 27.01 | 9.43 |
| Motor Fuels | 325,088 | 358,569 | 4.54 | 10.30 |
| Various Vehicle ^(c) | 282,602 | 261,241 | 3.31 | (7.56) |
| Vehicle Registration | 148,452 | 149,586 | 1.89 | 0.76 |
| Unemployment Comp | 47,848 | 107,655 | 1.36 | 124.99 |
| Liquor and Beer | 69,574 | 73,436 | 0.93 | 5.55 |
| Insurance Premiums | 75,474 | 67,631 | 0.86 | (10.39) |
| Estate/Inheritance | 81,859 | 62,888 | 0.80 | (23.18) |
| Severance | 44,013 | 56,956 | 0.72 | 29.41 |
| Cigarette and Tobacco | 54,550 | 52,898 | 0.67 | (3.03) |
| Mortgage Registration | 37,259 | 36,234 | 0.46 | (2.75) |
| Transient Guest | 16,896 | 17,068 | 0.22 | 1.02 |
| Corporation Franchise | 15,866 | 16,834 | 0.21 | 6.10 |
| Motor Carrier Property | 15,771 | 16,125 | 0.20 | 2.24 |
| Intangibles | 4,987 | 4,888 | 0.06 | (1.99) |
| Parimutuel | 4,118 | 4,239 | 0.05 | 2.94 |
| Wheat | 4,052 | 3,432 | 0.04 | (15.30) |
| All Other ^(d) | 6,565 | 6,548 | 0.08 | (0.26) |
| Total | <u>\$ 7,400,049</u> | <u>\$ 7,899,982</u> | <u>100.00%</u> | <u>6.76%</u> |

(a) Includes state, county, city, and municipal university sales and use taxes.

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

(c) Includes motor vehicle, recreational vehicle, 16m and 20m "tagged" vehicles, and rental car excise taxes collected on a calendar-year basis.

(d) Total revenue from seven taxes, the largest of which for FY 2000 was illegal drugs at \$1.466 million.

TABLE II—CHRONOLOGY OF STATE-IMPOSED TAXES

| Tax | Year Enacted | Type of Tax by Major Categories* | | | | |
|---|--------------|----------------------------------|-----------------------------------|------------------------|----------------|---------|
| | | Property | Income, Privilege and Inheritance | Sales, Use, and Excise | Gross Receipts | Payroll |
| Poll ^(a) | 1861 | | | X | | |
| General Purpose Levy ^(a) | 1861 | X | | | | |
| Corporation Franchise | 1866 | | | X | | |
| Insurance Premiums | | | | | | |
| Foreign Companies | 1871 | | | | X | |
| Firemen's Relief | 1895 | | | | X | |
| Express Companies ^(a) | 1907 | | | | X | |
| Inheritance ^(a) | 1909 | | X | | | |
| Private Car Companies | 1911 | | | | X | |
| Insurance Premiums | | | | | | |
| Fire Marshal | 1913 | | | | X | |
| Motor Vehicle Registration | 1913 | | | X | | |
| Dog ^(a) | 1913 | X | | | | |
| Estate | 1915 | | X | | | |
| Mortgage Registration | 1915/1925 | X | | | | |
| Soldier's Bonus ^(a) | 1923 | X | | | | |
| Intangibles ^{(a),(b)} | 1925/1931 | X | | | | |
| Gasoline | 1925 | | | X | | |
| Cigarette | 1927 | | | X | | |
| Motor Carrier | 1929 | X | | | | |
| Finance Companies ^(a) | 1930 | X | | | | |
| Ton - Mile ^(a) | 1931 | | | X | | |
| Income - Individual | 1933 | | X | | | |
| Income - Corporation | 1933 | | X | | | |
| Oleomargarine ^(a) | 1933 | | | X | | |
| Retail Sales | 1937 | | | X | | |
| Use - Consumers | 1937 | | | X | | |
| Cereal Malt Beverage | 1937 | | | X | | |
| Unemployment Comp. | 1937 | | | | | X |
| Music - Dramatic Composition | 1939 | | | | X | |
| Special Fuels and LP Gas | 1941 | | | X | | |
| Grain ^(a) | 1941 | X | | | | |
| Educational Buildings | 1941 | X | | | | |
| Use - Retailers | 1945 | | | X | | |
| Liquor Gallonage | 1949 | | | X | | |
| Liquor Enforcement (Sales) | 1949 | | | X | | |
| State Institutions Buildings | 1953 | X | | | | |
| Wheat ^(a) | 1957 | | | X | | |
| Severance | 1957/1983 | | | X | | |
| Boat Registration | 1959 | | | X | | |
| Financial Institutions | 1963 | | X | | | |
| Tobacco Products | 1969/1972 | | | X | | |
| Insurance Companies — Domestic | 1970 | | X | | | |
| Insurance Premiums — Domestic Cos. | 1970 | | | | X | |
| Bingo Enforcement — Call Bingo ^(c) | 1975/2000 | | | X | | |
| Correctional Institution Buildings ^(a) | 1976 | X | | | | |
| Motor Vehicle Dealers ^(a) | 1978 | | | X | | |
| Motor Vehicle | 1979 | X | | | | |
| Private Clubs/Liquor Drinking Places | 1979/1987 | | | X | | |
| Parimutuel Wagering | 1987 | | | | X | |
| Parimutuel Admissions | 1987 | | | X | | |
| Marijuana and Controlled Substances | 1987 | | | X | | |
| New Tires | 1990 | | | X | | |
| Motor Vehicle Rental Excise | 1991 | | | X | | |
| School District General Fund Levy ^(d) | 1992 | X | | | | |
| Bingo — Instant | 1993 | | | | X | |
| Recreational Vehicle | 1994 | X | | | | |
| Drycleaning and Laundering | 1995 | | | X | | |

* Based on classifications adopted by the Division of Accounts and Reports of the Department of Administration for state accounting and budgetary purposes or on the type of tax based on the statute imposing the tax.

a) Tax no longer levied or imposed.

b) In 1982, the Legislature repealed the statewide intangibles tax statutes, exempted intangibles from the property tax, and authorized counties, cities, and townships to impose a gross earnings tax on intangibles on a local option basis.

c) Except for "hard" cards, tax changed from gross receipts to an excise tax in 2000.

d) In 1993, this levy was ruled by a Kansas district court judge to be a state-imposed tax.

Figure 2

FY 2000 State Taxes

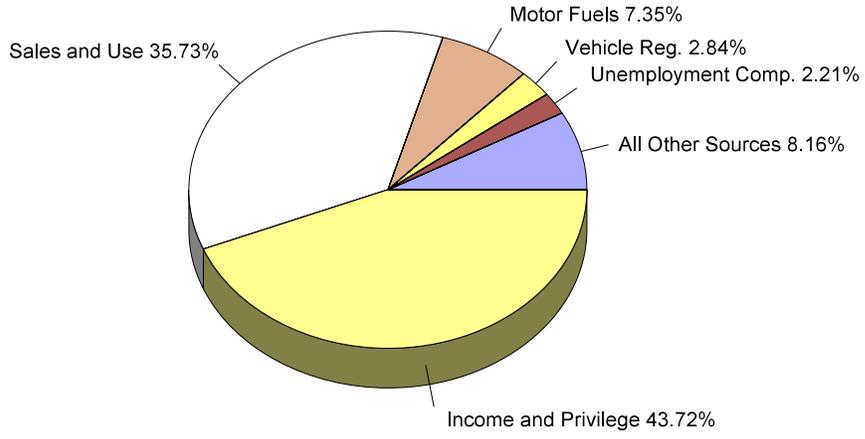


TABLE III—STATE TAX REVENUE, NET OF REFUNDS, FY 1996-2000

In Thousands

| | FY 1996 | FY 1997 | FY 1998 | FY 1999 | FY 2000 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Property | | | | | |
| Educational Bldg. ⁽¹⁾ | \$ 16,236 | \$ 16,729 | \$ 18,169 | \$ 18,885 | \$ 19,790 |
| Institutional Bldg. ⁽¹⁾ | 8,118 | 8,364 | 9,084 | 9,443 | 9,895 |
| Mortgage Registration ⁽²⁾ | 596 | 599 | 729 | 849 | 771 |
| Motor Carrier | 14,008 | 15,683 | 15,998 | 15,771 | 16,125 |
| Mtr. & Rec. Vehicles ⁽³⁾ | 3,672 | 3,761 | 3,858 | 3,944 | 3,836 |
| Total | \$ 42,630 | \$ 45,136 | \$ 47,839 | \$ 48,892 | \$ 50,417 |
| Income and Privilege | | | | | |
| Individual | \$ 1,391,829 | \$ 1,527,516 | \$ 1,744,030 | \$ 1,697,580 | \$ 1,861,624 |
| Corporation | 218,587 | 263,573 | 281,651 | 227,370 | 250,123 |
| Financial Inst. | 35,262 | 26,506 | 22,150 | 26,356 | 22,301 |
| Domestic Ins. Co. | 1,025 | 1,001 | 2,113 | (1,191) | (5) |
| Total | \$ 1,646,702 | \$ 1,818,597 | \$ 2,049,944 | \$ 1,950,115 | \$ 2,134,043 |
| Inheritance/Esate | \$ 98,704 | \$ 76,029 | \$ 88,651 | \$ 81,859 | \$ 62,888 |
| Sales, Use, and Excise | | | | | |
| Retail Sales | \$ 1,243,081 | \$ 1,301,355 | \$ 1,424,215 | \$ 1,474,536 | \$ 1,520,412 |
| Compensating Use | 157,941 | 174,499 | 195,031 | 212,035 | 223,423 |
| Subtotal | \$ 1,401,023 | \$ 1,475,854 | \$ 1,619,246 | \$ 1,686,571 | \$ 1,743,835 |
| Motor Fuels | 295,441 | 302,216 | 320,373 | 325,088 | 358,569 |
| Vehicle Registration ⁽⁴⁾ | 119,048 | 123,456 | 121,253 | 137,872 | 138,696 |
| Cereal Malt Beverage | 2,533 | 2,460 | 2,439 | 2,448 | 2,431 |
| Liquor Gallonage | 13,049 | 13,437 | 13,857 | 14,496 | 15,063 |
| Liquor Enforcement | 26,205 | 27,446 | 28,549 | 30,797 | 33,336 |
| Liquor Drink | 19,024 | 19,449 | 20,818 | 21,833 | 22,606 |
| Cigarette | 52,359 | 52,931 | 52,095 | 51,181 | 49,125 |
| Tobacco Prod. | 2,925 | 3,103 | 3,269 | 3,369 | 3,773 |
| Corporation Franchise | 13,140 | 14,293 | 15,351 | 15,866 | 16,834 |
| Wheat ⁽⁵⁾ | 1,587 | 1,929 | 3,294 | 4,052 | 3,432 |
| Boat Registration | 618 | 597 | 620 | 646 | 626 |
| Severance | 68,366 | 81,412 | 67,266 | 44,013 | 56,956 |
| New Tires | 1,259 | 1,291 | 1,315 | 1,384 | 1,423 |
| Motor Vehicle Rental | 1,882 | 2,098 | 2,248 | 2,719 | 2,521 |
| Drycleaning & Laundry | 901 | 1,005 | 969 | 1,058 | 1,241 |
| Total | \$ 2,019,360 | \$ 2,122,976 | \$ 2,272,963 | \$ 2,343,393 | \$ 2,450,467 |

| | FY 1996 | FY 1997 | FY 1998 | FY 1999 | FY 2000 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Gross Receipts | | | | | |
| Insurance Premiums | | | | | |
| Foreign Cos. | \$ 80,720 | \$ 71,560 | \$ 77,632 | \$ 59,809 | \$ 49,914 |
| Domestic Cos. | 9,100 | 9,910 | 10,425 | 6,440 | 8,862 |
| Firefighters Relief | 4,630 | 5,057 | 5,149 | 5,545 | 5,213 |
| Fire Marshal | 2,953 | 3,079 | 2,378 | 3,680 | 3,642 |
| Subtotal | \$ 97,403 | \$ 89,605 | \$ 95,584 | \$ 75,474 | \$ 67,631 |
| Private Car Cos. | \$ 866 | \$ 900 | \$ 873 | \$ 881 | \$ 866 |
| Music-Dramatic Tax | 25 | 25 | 20 | 15 | 18 |
| Bingo Enforcement | 1,053 | 1,055 | 958 | 979 | 908 |
| Transient Guest ⁽⁶⁾ | 245 | 257 | 287 | 338 | 341 |
| Parimutuel | 5,232 | 4,090 | 4,032 | 4,118 | 4,239 |
| Illegal Drugs | 938 | 1,278 | 1,023 | 1,601 | 1,466 |
| Total | \$ 105,761 | \$ 97,209 | \$ 102,777 | \$ 83,406 | \$ 75,469 |
| Unemployment Comp. | \$ 41,031 | \$ 39,229 | \$ 43,229 | \$ 47,848 | \$ 107,655 |
| TOTAL STATE TAXES | \$ 3,954,189 | \$ 4,199,176 | \$ 4,605,403 | \$ 4,555,513 | \$ 4,880,939 |

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 vehicle and recreational vehicle taxes.
4. State receipts only, excluding amounts retained by county treasurers.
5. Starting in FY 2001, wheat collections will no longer be treated as a tax. Legislation enacted in 2000 privatizing the wheat commission also changed the nature of this levy from a tax to an assessment.
6. State's 2 percent share of the tax.

TABLE IV – STATE TAX REVENUE, NET OF REFUNDS, SELECTED YEARS

| | In Thousands | | | | | | | |
|--------------------------------------|--------------|------------|------------|------------|------------|------------|------------|------------|
| | FY 2000 | FY 1990 | FY 1980 | FY 1970 | FY 1960 | FY 1950 | FY 1940 | FY 1930 |
| Property | | | | | | | | |
| General ¹ | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,333 | \$ 3,355 | \$ 5,308 |
| Soldiers' Bonus ¹ | - | - | - | - | - | 1,221 | 1,886 | 2,123 |
| Educational Bldg. ⁽¹⁾ | 19,790 | 14,133 | 10,050 | 5,824 | 4,415 | 2,694 | - | - |
| Institutional Bldg. ⁽¹⁾ | 9,895 | 7,067 | 5,025 | 2,900 | 3,316 | - | - | - |
| Intangibles ¹⁽²⁾ | - | 14 | 2 | a) | 557 | 430 | 158 | 130 |
| Mortgage Regis. ⁽³⁾ | 771 | - | - | - | - | - | - | - |
| Motor Carrier | 16,125 | 9,689 | 4,333 | 1,392 | 743 | 213 | 29 | - |
| Motor and Rec. Vehicles ⁴ | 3,836 | 2,906 | - | - | - | - | - | - |
| Total | 50,417 | 33,809 | 19,410 | 10,116 | 9,031 | 6,891 | 5,428 | 7,561 |
| Income and Privilege | | | | | | | | |
| Individual | 1,861,624 | 862,567 | 327,581 | 78,423 | 23,849 | 8,312 | 1,313 | - |
| Corporation | 250,123 | 167,601 | 141,709 | 16,646 | 8,358 | 3,456 | 756 | - |
| Financial Inst. | 22,301 | 34,087 | 16,088 | 2,611 | - | - | - | - |
| Domestic Ins. Cos. | (5) | 412 | 682 | - | - | - | - | - |
| Total | 2,134,043 | 1,064,667 | 486,060 | 97,680 | 32,207 | 11,768 | 2,069 | - |
| Estate/Inheritance ⁽⁵⁾ | 62,888 | 43,159 | 26,246 | 7,177 | 3,719 | 1,081 | 375 | 684 |
| Sales, Use, and Excise | | | | | | | | |
| Retail Sales | 1,520,412 | 773,270 | 360,718 | 127,203 | 64,503 | 32,780 | 9,635 | - |
| Compensating Use | 223,423 | 99,334 | 57,672 | 18,153 | 8,846 | 4,650 | 445 | - |
| Subtotal | 1,743,835 | 872,604 | 418,390 | 145,356 | 73,349 | 37,430 | 10,080 | - |
| Motor Fuels | 358,569 | 224,356 | 118,906 | 81,402 | 39,487 | 26,122 | 10,054 | 8,827 |
| Vehicle Regis. ⁽⁶⁾ | 138,696 | 92,417 | 66,388 | 31,463 | 20,533 | 10,036 | 3,840 | 6,071 |
| Ton-Mileage | - | - | - | - | - | 2,679 | 1,329 | - |
| Cereal Malt Bev. | 2,431 | 3,166 | 4,966 | 2,613 | 1,656 | 1,715 | 496 | - |
| Liquor Gallonage | 15,063 | 12,656 | 12,287 | 4,517 | 2,341 | 2,877 | - | - |
| Liquor Enforce. | 33,336 | 19,890 | 7,340 | 2,803 | 1,231 | 726 | - | - |
| Liquor Drink | 22,606 | 14,275 | 4,932 | - | - | - | - | - |
| Cigarette | 49,125 | 54,348 | 31,845 | 20,306 | 8,753 | 4,929 | 1,288 | 682 |
| Tobacco Prod. | 3,773 | 1,637 | 826 | - | - | - | - | - |
| Corporation Fran. | 16,834 | 9,446 | 5,685 | 861 | 631 | 395 | 317 | 369 |
| Wheat | 3,432 | 1,328 | 1,052 | 546 | 396 | - | - | - |
| Vehicle Dealers ⁽⁷⁾ | - | - | 26 | - | - | - | - | - |
| Boat Regis. | 626 | 335 | 323 | 77 | 67 | - | - | - |
| Severance | 56,956 | 83,190 | - | - | - | - | - | - |
| New Tires | 1,423 | - | - | - | - | - | - | - |
| Motor Vehicle Rental | 2,521 | - | - | - | - | - | - | - |
| Drycleaning & Laundry | 1,241 | - | - | - | - | - | - | - |
| Total | 2,450,467 | 1,389,648 | 672,966 | 289,944 | 148,444 | 86,910 | 27,404 | 15,949 |

| | FY 2000 | FY 1990 | FY 1980 | FY 1970 | FY 1960 | FY 1950 | FY 1940 | FY 1930 |
|------------------------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|
| Gross Receipts | | | | | | | | |
| Ins. Premiums ⁶ | | | | | | | | |
| Foreign Cos. | 49,914 | 57,057 | 28,028 | 10,313 | 5,733 | 2,598 | 890 | 956 |
| Domestic Cos. | 8,862 | 7,681 | 3,998 | — | — | — | — | — |
| Firefighters Relief | 5,213 | 3,719 | 1,890 | 645 | 382 | 215 | 76 | 120 |
| Fire Marshal | 3,642 | 1,857 | 973 | 282 | 164 | 93 | 35 | 54 |
| Subtotal | 67,631 | 70,314 | 34,889 | 11,240 | 6,279 | 2,906 | 1,001 | 1,130 |
| Express Cos. | — | — | — | — | 4 | 13 | 5 | 12 |
| Private Car Cos. | 866 | 450 | 588 | 300 | 289 | 218 | 104 | 215 |
| Music-Dramatic Comp. | 18 | 15 | 2 | a) | a) | a) | a) | a) |
| Bingo Enforcement | 908 | 815 | 627 | — | — | — | — | — |
| Transient Guest ⁷ | 341 | 141 | 18 | — | — | — | — | — |
| Parimutuel | 4,239 | 7,993 | — | — | — | — | — | — |
| Illegal Drugs | 1,466 | 55 | — | — | — | — | — | — |
| Total | 75,469 | 79,783 | 36,124 | 11,540 | 6,572 | 3,137 | 1,110 | 1,357 |
| Unemployment Comp. | 107,655 | 169,742 | 87,598 | 16,381 | 10,586 | 5,963 | 4,915 | — |
| TOTAL STATE TAXES | \$ 4,880,939 | \$ 2,780,807 | \$ 1,328,404 | \$ 432,839 | \$ 210,559 | \$ 115,750 | \$ 41,302 | \$ 25,551 |

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 gave up its one-sixth share of the intangibles tax when the privilege tax on financial institutions was enacted in 1963. Any receipts since then were delinquent taxes or the state's share of the 5-mill tax on finance companies. That tax was repealed in 1995.
 3. The state's 1/26 share of the tax.
 4. Amount received by the state from the motor vehicle tax levied under the "tax and tags law" which took effect on January 1, 1981. For FY 2000, amount includes the state's share of recreational tax collections.
 5. Counties retained 5 percent of receipts from estates of decedents who died prior to January 1, 1979.
 6. State receipts only, excluding amounts retained by county treasurers.
 7. State's 2 percent share of the tax.
 8. The detailed amounts from each of the premium taxes were reported on a calendar year basis in 1940 and 1930.
- a) Less than \$1,000.

**Table V – Allocation to Funds of Total State Tax Revenue (Net of Refunds)
FY 2000 (\$ in thousands)**

| | Amount | Percent of Total | Cumulative Percent | Revenue Credited to: | |
|----------------------------------|---------------------|---------------------|-----------------------|-------------------------|-------------------|
| | | | | SGF | Other Funds |
| Individual Income | \$ 1,861,624 | 38.14% | 38.14% | \$ 1,854,726 | \$ 6,898 |
| Retail Sales | 1,520,412 | 31.15 | 69.29 | 1,440,303 | 80,109 |
| Motor Fuels | 358,569 | 7.35 | 76.64 | 0 | 358,569 |
| Corporation Income | 250,123 | 5.12 | 81.76 | 250,123 | 0 |
| Compensating Use | 223,423 | 4.58 | 86.34 | 209,966 | 13,457 |
| Motor Vehicle Registration | 138,696 | 2.84 | 89.18 | 0 | 138,696 |
| Unemployment Compensation | 107,655 | 2.21 | 91.39 | 0 | 107,655 |
| Liquor and Beer | 73,436 | 1.50 | 92.89 | 55,800 | 17,636 |
| Insurance Premiums | 67,631 | 1.39 | 94.28 | 60,675 | 6,956 |
| Estate/Inheritance | 62,888 | 1.29 | 95.56 | 62,888 | 0 |
| Cigarette and Tobacco | 52,898 | 1.08 | 96.65 | 52,898 | 0 |
| Gas Severance | 41,610 | 0.85 | 97.50 | 38,697 | 2,913 |
| State Property | 29,685 | 0.61 | 98.11 | 0 | 29,685 |
| Financial Institutions Privilege | 22,301 | 0.46 | 98.57 | 22,301 | 0 |
| Corp Franchise | 16,834 | 0.34 | 98.91 | 16,834 | 0 |
| Motor Carrier Property | 16,125 | 0.33 | 99.24 | 16,125 | 0 |
| Oil Severance | 15,346 | 0.31 | 99.56 | 14,272 | 1,074 |
| Parimutuel | 4,239 | 0.09 | 99.64 | 0 | 4,239 |
| Wheat | 3,432 | 0.07 | 99.71 | 53 | 3,379 |
| Vehicle Rental Excise | 2,521 | 0.05 | 99.76 | 0 | 2,521 |
| Illegal Drugs | 1,466 | 0.03 | 99.79 | 367 | 1,099 |
| New Tires | 1,423 | 0.03 | 99.82 | 0 | 1,423 |
| Drycleaning | 1,241 | 0.03 | 99.85 | 0 | 1,241 |
| Bingo | 908 | 0.02 | 99.87 | 303 | 605 |
| Car Companies | 866 | 0.02 | 99.89 | 866 | 0 |
| Boat Registration | 626 | 0.01 | 99.90 | 0 | 626 |
| Music, Dramatic | 18 | 0.00 | 99.90 | 18 | 0 |
| Other Taxes (a) | 4,943 | 0.10 | 100.00% | 334 | 4,609 |
| Total | \$ 4,880,939 | 100.00% | | \$ 4,097,549 (b) | \$ 783,390 |
| | | | | 83.95% | 16.05% |

(a) Other taxes include domestic insurance company privilege tax and the state's share of the following taxes: mortgage registration, motor vehicle, recreational vehicle, and transient guest.

(b) Does not include nontax revenue credited to the SGF.

TABLE VI

DISPOSITION OF STATE TAX REVENUE

(After Refunds)

| Tax | Distribution |
|---|---|
| State Property Taxes | |
| Educational Buildings (1 mill) | All to Educational Building Fund. |
| State Institutions Buildings (0.5 mill) | All to State Institutions Building Fund. |
| School District General Fund Levy | Excess local effort to State School District Finance Fund. |
| Motor Carrier | All to State General Fund. An equivalent amount is earmarked for transfer to the Special City and County Highway Fund, though annual legislation frequently has limited this transfer, effectively leaving some receipts in the State General Fund. |
| Motor and Recreational Vehicles (state's share) | Two-thirds to Educational Building Fund and one-third to State Institutions Building Fund. |
| Mortgage Registration | All of state's share to Heritage Trust Fund. |
| Income Taxes | All to State General Fund except up to 1.0 percent of receipts from individual income tax withholding may be diverted to the IMPACT program, as provided under KSA 74-50,107, as amended. |
| Financial Institutions Privilege Tax | All to State General Fund. |
| Estate Tax | All to State General Fund (5 percent was earmarked for transfer to County Inheritance Tax Fund prior to January 1, 1988). |
| Sales and Use Taxes | Currently, 5.102 percent to State Highway Fund and 94.898 percent to State General Fund. (1 Of the General Fund amount, 3.63 percent of receipts from a given calendar year are earmarked for transfer to the Local Ad Valorem Tax Reduction Fund (LAVTRF) and 2.823 percent of such receipts are earmarked for transfer to the County-City Revenue Sharing Fund (CCRSF), though annual legislation has frequently reduced the transfers below these levels by capping them at a fixed percentage above the prior year's transfers. A portion of General Fund sales (but not use) tax receipts also is earmarked for transfer to the State Highway Fund - 9.5 percent in FY 2002, for example - though annual legislation also has frequently capped these transfers. The State Highway Fund transfer is scheduled to increase to 12 percent of SGF sales tax receipts starting in FY 2005. |
| Motor Vehicle Rental Excise Tax | All to Rental Motor Vehicle Excise Tax Fund for distribution to treasurer of the county where taxable transactions took place. |
| Drycleaning and Laundering Tax | All to Drycleaning Facility Release Trust Fund. |

1) Exceptions to this distribution formula are provided for revenues collected from within certain redevelopment districts (auto race track facility and Land of Oz), historic theater districts, and the Kansas City Kansas Community College Multisport Athletic Complex District. When such districts have been lawfully established, all state sales taxes collected therein are to be earmarked for the payment of bonds.

| Tax | Distribution |
|---|--|
| Motor and Special Fuels and LP-Gas Taxes | Annual amount of \$2.5 million earmarked for transfer to the Kansas Qualified Agricultural Ethyl Alcohol Producer Incentive Fund for gasohol subsidies. Of the remainder, from July 1, 1999 through June 30, 2001, 59.55 percent to State Highway Fund (SHF) and 40.45 percent to Special City and County Highway Fund (SCCHF); from July 1, 2001 through June 30, 2003, 61.55 percent to SHF and 38.45 percent to SCCHF; on July 1, 2003 and thereafter, 63.35 percent to SHF and 36.65 percent to SCCHF. Of the SCCHF monies, \$2.5 million is earmarked for subsequent transfer to the County Equalization and Adjustment Fund. |
| Vehicle Registration Tax | All to State Highway Fund (exclusive of various fees retained by counties and certain specific certificate of title fees earmarked for various highway patrol vehicle, technology hardware, and repossessed vehicle fee funds). |
| Boat Registration Tax | All to Boating Fee Fund. |
| Cereal Malt Beverages Tax | All to State General Fund. |
| Liquor Gallonage Tax | All to State General Fund, except 10 percent of the tax on alcohol and spirits which is credited to the Community Alcoholism and Intoxication Programs Fund. |
| Liquor Enforcement Tax | All to State General Fund. |
| Liquor Drink Tax | 25 percent to State General Fund; 70 percent to Local Alcoholic Liquor Fund; 5 percent to Community Alcoholism and Intoxication Programs Fund. |
| Cigarette Tax | All to State General Fund. |
| Tobacco Products Tax | All to State General Fund. |
| Corporation Franchise Tax | All to State General Fund. |
| Severance Tax | 93 percent to State General Fund; 7 percent to County Mineral Production Tax Fund. |
| Marijuana and Controlled Substances Taxes | All to State General Fund (except 75 percent of assessments and penalties to law enforcement agencies conducting the investigations). |
| New Tires Tax | All to Waste Tire Management Fund from which are paid grants to counties, cities, and private companies and administrative and abatement expenses. |
| Parimutuel Taxes | |
| Wagering Tax | All to State Racing Fund (excess over amount appropriated for operations and promotion transferred to Gaming Revenues Fund). |
| General Admissions Tax | Same. |
| Admissions Tax at Tracks Exempt from Property Tax | All to Local Racing Admissions Tax Fund. |

| Tax | Distribution |
|--|--|
| Insurance Premium Taxes | |
| Domestic and Foreign Companies | All to State General Fund, less certain amounts diverted to a special revenue fund to help finance the Insurance Department and other amounts earmarked for examination and examiner training costs. |
| Fire Marshal | 20 percent to State General Fund (not to exceed \$200,000); remainder to Fire Marshal Fee Fund. |
| Firefighters Relief | All to State Firefighters Relief Fund, from which: <ul style="list-style-type: none"> a) amount determined by legislative appropriations for administrative costs; b) 3 percent to State Firefighters Association for fire prevention education and study; c) 5 percent to State Firefighters Association for a death benefit fund (not more than the lesser of \$100,000 or the difference between the balance in such fund and \$100,000); and d) balance to local firefighters relief associations. |
| Private Car Companies Tax | All to State General Fund. |
| Music-Dramatic Composition Tax | All to State General Fund. |
| Bingo Enforcement Tax (Call and Instant Bingo) | Two-thirds to SGF; one-third to State Bingo Regulation Fund. Of this latter amount, \$20,000 is earmarked for subsequent transfer to the Problem Gambling Grant Fund. Any unused monies in State Bingo Regulation Fund are required to be transferred to SGF at the end of each fiscal year. |
| Unemployment Compensation Tax | All to Unemployment Trust Fund. |

Note: The State General Fund receives 2 percent of transient guest taxes which may be imposed by counties and cities but are collected by the state for them.

TABLE VII

**FORMULAS FOR DISTRIBUTION TO LOCAL GOVERNMENTS OF STATE-SHARED
TAXES REFERRED TO IN TABLE VI**

| Tax Source | Fund | Distribution Formula |
|------------------------------------|--|---|
| Sales and Use | Local Ad Valorem Tax Reduction Fund (KSA 79-2959, 79-2961) | Distributed on January 15 and July 15 proportionately among all counties, 65 percent on the basis of population ⁽¹⁾ and 35 percent on the basis of assessed tangible valuation. Within each county, to each property tax levying subdivision (including the county but excluding unified school districts) proportionately based on taxes levied in the preceding year. Each subdivision's share must be credited to one or more tax levy funds of general application, except bond and interest funds. |
| | County and City Revenue Sharing Fund (KSA 79-2964 through 79-2966) | Allocated among counties 65 percent on the basis of population and 35 percent on the basis of assessed tangible valuation, with distributions on July 15 and December 10. Counties retain 50 percent and cities receive 50 percent in proportion to their populations. |
| Motor Vehicle Rental Excise | Rental Motor Vehicle Excise Tax Fund (KSA 79-5117) | Distributed on June 30 and November 30 to counties where a taxable transaction took place. Then allocated among tax levy units in the same manner as the motor vehicle (property) tax is allocated. |
| Motor and Special Fuels and LP-Gas | Special City and County Highway Fund (KSA 79-3425c) | Quarterly distributions in January, April, July, and October, net of the \$2.5 million annual transfer to the County Equalization and Adjustment Fund. Cities receive directly 43 percent on the basis of city population. Counties receive 57 percent, as follows: \$5,000 to each county; the balance is distributed 44.06 percent on the basis of registration fees, 44.06 percent on the basis of average daily vehicle miles traveled, and 11.88 percent on the basis of total road miles in the county. Amount received by county is allocated 50 percent to county and 50 percent to cities on basis of city population in Sedgwick and Shawnee counties; 10 percent to the county and 90 percent to cities in Wyandotte County; 90 percent to county and 10 percent to cities in Butler, Cowley, Crawford, Douglas, Leavenworth, Lyon, Montgomery, Reno, Riley, and Saline counties; and 100 percent to county in all other counties. Townships share in the amount retained by counties which have not adopted the county-unit road system. ⁽²⁾ |

| Tax Source | Fund | Distribution Formula |
|---|--|---|
| Motor and Special Fuels and LP-Gas | County Equalization and Adjustment Fund (KSA 79-3425c) | A total of \$2.5 million is transferred annually from the Special City and County Highway Fund to assure that no county will receive less than it and the cities therein received from the Special City and County Highway Fund in FY 1999. The balance remaining after such "equalization" payments, if any, is distributed to counties, cities, and townships to the same extent they share in the counties' portion of the Special City and County Highway Fund, with the initial payment to counties being made on the basis of motor vehicle registration fees (50 percent) and average daily vehicle miles traveled in the county (50 percent). |
| Liquor Drink Tax | Local Alcoholic Liquor Fund (KSA 79-41a04) | Distributed March 15, June 15, September 15, and December 15 to the city or county based on the amount collected from each city or county from clubs or establishments located therein. The city or county is required to credit the moneys received as follows: (1) 1/3 to the general fund; (2) 1/3 to a special parks and recreation fund; and (3) 1/3 to a special alcohol and drug programs fund (this share goes to the county in the case of cities with 6,000 population or less). |
| Severance Tax | County Mineral Production Tax Fund (KSA 79-4227) | Distributed March 1, June 1, September 1, and December 1 to counties in proportion to severance taxes imposed on production in each county. Within each county, 50 percent to county general fund and 50 percent to school districts on the basis of the assessed valuation of oil, gas, and coal properties in such districts. |
| Admissions Tax at Race Meetings (Parimutuel) Exempt from Property Tax | Local Racing Admissions Tax Fund (KSA 74-8824) | Distributed at least quarterly, 50 percent to the city where the racing facility is located and 50 percent to the county; 100 percent to county if facility not located in a city. |
| Firefighters Relief Insurance Premium Tax | Firefighters Relief Fund (KSA 40-1706 and 40-1707) | Annually, \$1,000 to each firefighters relief association and remainder distributed to each association in proportion to the amount it received in FY 1984 from taxes collected for CY 1983, subject to various adjustments. |
| Marijuana and Controlled Substances | County Drug Tax Fund (KSA 79-5211) | To treasurer of city or county whose law enforcement agency conducted or was involved in the investigation, to be used solely for law enforcement. The distribution is to be made equally to city, county, and state agencies when more than one agency has been involved in the investigation, except that an alternative distribution may be mutually agreed upon and submitted to the state Director of Taxation. Time of distribution not specified by law. |

| Tax Source | Fund | Distribution Formula |
|-----------------------|--|--|
| New Tires Tax | Waste Tire Management Fund (KSA 65-3424f and 65-3424g) | To counties and cities which, individually or collectively, submit applications for grants to the Secretary of the Department of Health and Environment under plans approved by the Secretary. (Grants also may be made to private companies.) |
| Mortgage Registration | Heritage Trust Fund (KSA 75-2729 and 79-3107b) | To local units (among others) whose grants have been approved by the State Historical Society. |

- 1) KSA 19-2694 establishes a formula designed to prevent counties from receiving less money distributed on the basis of population from the LAV TRF due to changing from state census data to federal census data, effective July 1, 1979.
- 2) Legislation enacted in 1982 provides that persons residing within Ft. Riley shall not be included in determining the population of any city located in Geary or Riley counties and that the population of any military reservation which was annexed to a city after December 31, 1981, shall not be included in the population of such city for the purpose of allocating the cities' 43 percent share of the Special City and County Highway Fund.

TABLE VIII— LOCAL GOVERNMENT TAX REVENUE, FY 1996-2000

| | In Thousands | | | | |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | FY 1996 | FY 1997 | FY 1998 | FY 1999 | FY 2000 |
| Counties | | | | | |
| Tangible Property(1) | \$ 489,264 | \$ 505,298 | \$ 541,849 | \$ 593,659 | \$ 634,595 |
| Intangibles(2) | 1,699 | 2,005 | 2,022 | 2,101 | 2,087 |
| Mortgage Registration(3) | 17,710 | 22,321 | 25,021 | 36,410 | 35,463 |
| Motor Vehicle Registration(3) | 9,140 | 9,910 | 8,960 | 10,580 | 10,890 |
| Transient Guest | 818 | 885 | 960 | 1,052 | 1,090 |
| Motor and Rec. Vehicle(2) | 74,539 | 75,402 | 76,314 | 78,134 | 75,727 |
| Cities | | | | | |
| Tangible Property(1) | \$ 305,296 | \$ 315,244 | \$ 327,037 | \$ 397,334 | \$ 432,523 |
| Intangibles(2) | 1,244 | 1,441 | 1,554 | 1,627 | 1,497 |
| Transient Guest | 11,175 | 11,691 | 13,105 | 15,506 | 15,637 |
| Motor and Rec. Vehicle(2) | 62,612 | 63,118 | 62,466 | 62,054 | 58,853 |
| Schools(4) | | | | | |
| Tangible Property(1) | \$ 1,001,616 | \$ 1,017,723 | \$ 949,129 | \$ 897,665 | \$ 959,305 |
| Motor and Rec. Vehicle(2) | 141,072 | 147,766 | 136,473 | 115,482 | 100,933 |
| Townships | | | | | |
| Tangible Property(1) | \$ 29,027 | \$ 29,775 | \$ 31,646 | \$ 34,418 | \$ 37,687 |
| Intangibles(2) | 1,098 | 1,223 | 1,333 | 1,258 | 1,304 |
| Motor and Rec. Vehicle(2) | 3,587 | 3,763 | 3,894 | 4,109 | 4,043 |
| Special Districts | | | | | |
| Tangible Property(1) | \$ 82,289 | \$ 84,275 | \$ 93,523 | \$ 106,555 | \$ 118,446 |
| Motor and Rec. Vehicle(2) | 10,020 | 10,652 | 10,810 | 11,472 | 10,976 |
| Taxes Not Allocated | | | | | |
| Local Sales & Use(5) | \$ 380,113 | \$ 401,590 | \$ 437,735 | \$ 470,432 | \$ 513,635 |
| 16m & 20m "tagged" vehicles(6) | \$ 0 | \$ 0 | \$ 0 | \$ 4,688 | \$ 4,352 |
| TOTAL LOCAL TAXES | \$ 2,622,319 | \$ 2,704,078 | \$ 2,723,830 | \$ 2,844,536 | \$ 3,019,043 |
| Exhibit: | | | | | |
| Tangible Property | \$ 1,907,492 | \$ 1,952,315 | \$ 1,943,184 | \$ 2,029,631 | \$ 2,182,556 |
| Motor and Rec. Vehicle | 291,830 | 300,700 | 289,958 | 275,939 | 254,884 |
| Total | <u>\$ 2,199,322</u> | <u>\$ 2,253,015</u> | <u>\$ 2,233,141</u> | <u>\$ 2,305,570</u> | <u>\$ 2,437,440</u> |

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., on industrial revenue bond property.
2. Taxes collected on a calendar-year basis.
3. Calendar year revenue, e.g., the figure in the FY 2000 column is for CY 1999.
4. School districts, community colleges, and municipal universities, including out-district tuition tax levies made by counties and townships. Legislation enacted in 1999 eliminates out-district tuition levies after FY 2003.
5. Collections by the Department of Revenue for counties, cities, and municipal universities which impose a sales tax, as reported by the Division of Accounts and Reports.
6. Certain vehicles weighing up to 20,000 pounds pay these taxes with liability based upon the motor vehicle tax law but have a payment schedule (December and June) similar to personal property (see KSA 2000 Supp. 79-5105a).

Special Note

This table does not include revenue from certain taxes for which annual data are not compiled, e.g., occupation and franchise taxes; "911" taxes; and development excise taxes.

TABLE IX – LOCAL GOVERNMENT TAX REVENUE, SELECTED YEARS

| | In Thousands | | | | | | | |
|---|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| | FY 2000 | FY 1990 | FY 1980 | FY 1970 | FY 1960 | FY 1950 | FY 1940 | FY 1930 |
| Counties | | | | | | | | |
| Tangible Property ¹ | \$ 634,595 | \$ 366,526 | \$ 189,908 | \$ 99,565 | \$ 59,684 | \$ 33,638 | \$ 18,047 | \$ 18,584 |
| Intangibles ² | 2,087 | 3,803 | 5,732 | 1,485 | 557 | 430 | 158 | 130 |
| Mortgage Regis. ³ | 35,463 | 12,242 | 8,638 | 1,830 | 1,334 | 928 | 302 | 327 |
| Grain ¹ | – | – | 681 | 478 | 452 | 389 | – | – |
| Inheritance | – | – | 733 | 381 | 196 | 57 | 20 | 36 |
| Motor Veh. Regis. ³ | 10,890 | 6,045 | 2,502 | 830 | 463 | 285 | 201 | 73 |
| Transient Guest | 1,090 | 366 | 136 | – | – | – | – | – |
| Motor and Rec. Vehicle ^{3, 4} | 75,727 | 52,913 | – | – | – | – | – | – |
| Cities | | | | | | | | |
| Tangible Property ¹ | 432,523 | 242,734 | 162,306 | 80,194 | 40,090 | 17,844 | 10,767 | 14,717 |
| Intangibles ² | 1,497 | 4,304 | 13,406 | 2,644 | 1,016 | 637 | 262 | 155 |
| Transient Guest | 15,637 | 6,557 | 740 | – | – | – | – | – |
| Motor and Rec. Vehicle ^{3, 4} | 58,853 | 54,575 | – | – | – | – | – | – |
| Schools⁵ | | | | | | | | |
| Tangible Property ¹ | 959,305 | 866,282 | 480,674 | 283,857 | 151,186 | 58,889 | 26,622 | 40,446 |
| Intangibles ² | – | 639 | – | 1,485 | 1,114 | 860 | 316 | 259 |
| Motor and Rec. Vehicle ^{3, 4} | 100,933 | 154,802 | – | – | – | – | – | – |
| Dog ¹ | – | – | – | – | 260 | 218 | 182 | 201 |
| Townships | | | | | | | | |
| Tangible Property ¹ | 37,687 | 21,941 | 12,347 | 8,199 | 8,707 | 6,816 | 2,838 | 6,996 |
| Intangibles ² | 1,304 | 2,437 | 3,026 | 325 | 97 | 223 | 55 | 104 |
| Motor and Rec. Vehicle ^{3, 4} | 4,043 | 2,817 | – | – | – | – | – | – |
| Special Districts | | | | | | | | |
| Tangible Property ¹ | 118,446 | 55,988 | 29,245 | 9,579 | 2,475 | 509 | 294 | 361 |
| Motor and Rec. Vehicles ^{3, 4} | 10,976 | 7,502 | – | – | – | – | – | – |
| Intangibles ² | – | 77 | – | – | – | – | – | – |
| Taxes Not Allocated | | | | | | | | |
| Local Sales and Use ⁶ | 513,635 | 225,073 | 30,015 | – | – | – | – | – |
| Vehicle Dealers ⁷ | – | – | 1,269 | – | – | – | – | – |
| 16M and 20M "tagged" vehicles | 4,352 | – | – | – | – | – | – | – |
| TOTAL LOCAL TAXES | \$ 3,019,043 | \$ 2,087,623 | \$ 941,358 | \$ 490,852 | \$ 267,631 | \$ 121,723 | \$ 60,064 | \$ 82,389 |
| Exhibit: | | | | | | | | |
| Tangible Property | \$ 2,182,556 | \$ 1,553,472 | \$ 874,481 | \$ 481,394 | \$ 262,141 | \$ 117,697 | \$ 58,569 | \$ 81,103 |
| Motor and Rec. Vehicle | 254,884 | 272,608 | – | – | – | – | – | – |
| Vehicle Dealers | – | – | 1,269 | – | – | – | – | – |
| Total | \$ 2,437,440 | \$ 1,826,080 | \$ 875,750 | \$ 481,394 | \$ 262,141 | \$ 117,697 | \$ 58,569 | \$ 81,103 |

Sources: Reports and records of the Department of Revenue.

1. Taxes levied for collection in the fiscal year. The FY 2000 and 1990 columns for the tangible property tax include certain in-lieu taxes, *e.g.*, on industrial revenue bond property (such taxes were not compiled prior to 1984).
2. Taxes levied for collection in the fiscal year. Through FY 1990, the data included a 5-mill tax on finance companies.
3. Calendar year revenue, *e.g.*, the figure in the FY 2000 column is for CY 1999.
4. Tax levied under the 1979 "tax and tags law" which took effect on January 1, 1981 and which replaced the tangible property tax levied on vehicles covered by the 1979 law. For FY 2000, entry includes recreational vehicle taxes.
5. Includes school districts, community colleges, and municipal universities.
6. Collections by the Department of Revenue for counties, cities, and municipal universities which impose a sales tax.
7. This tax, which was repealed effective mid FY 1989, was allocated by county treasurers among the county and all other property tax levying subdivisions in the county. There was no central compilation of how much each type of local unit received.

Special Note

This table does not include revenue from certain taxes for which annual data are not compiled, *e.g.*, occupation and franchise taxes; "911" taxes; and development excise taxes.

TABLE X — PERCENTAGE OF COMBINED STATE AND LOCAL TAX REVENUE

Ranked on the Basis of FY 2000

| | FY 2000 | FY 1999 | FY 1998 | FY 1997 | FY 1996 | FY 1990 | FY 1980 | FY 1970 | FY 1960 | FY 1950 | FY 1940 | FY 1930 |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Sales and Use (a) | 28.58% | 29.15% | 28.07% | 28.05% | 27.07% | 22.55% | 19.75% | 15.74% | 15.34% | 15.76% | 9.94% | - |
| General Property (b) | 28.00 | 27.81 | 26.88 | 26.87 | 29.36 | 32.34 | 39.19 | 53.06 | 56.44 | 52.19 | 62.95 | 82.02% |
| Income and Privilege | 27.01 | 26.35 | 27.97 | 27.96 | 25.03 | 21.87 | 21.42 | 10.57 | 6.73 | 4.95 | 2.04 | - |
| Motor Fuels | 4.54 | 4.39 | 4.37 | 4.37 | 4.49 | 4.61 | 5.24 | 8.81 | 8.26 | 11.00 | 9.92 | 8.18 |
| Various Vehicle (c) | 3.31 | 3.82 | 4.01 | 4.01 | 4.49 | 5.66 | - | - | - | - | - | - |
| Vehicle Registration | 1.89 | 2.01 | 1.78 | 1.82 | 1.99 | 2.02 | 3.03 | 3.50 | 4.39 | 4.35 | 3.99 | 5.69 |
| Unemployment Comp | 1.36 | 0.65 | 0.59 | 0.59 | 0.62 | 3.49 | 3.86 | 1.77 | 2.21 | 2.51 | 4.85 | - |
| Liquor and Beer | 0.93 | 0.94 | 0.90 | 0.90 | 0.93 | 1.03 | 1.30 | 1.08 | 1.09 | 2.24 | 0.49 | - |
| Insurance Premiums | 0.86 | 1.02 | 1.30 | 1.30 | 1.48 | 1.44 | 1.54 | 1.22 | 1.31 | 1.22 | 0.99 | 1.05 |
| Estate/Inheritance | 0.80 | 1.11 | 1.21 | 1.21 | 1.50 | 0.89 | 1.19 | 0.82 | 0.82 | 0.48 | 0.39 | 0.67 |
| Severance | 0.72 | 0.59 | 0.92 | 0.92 | 1.04 | 1.71 | - | - | - | - | - | - |
| Cigarette and Tobacco | 0.67 | 0.74 | 0.76 | 0.76 | 0.84 | 1.15 | 1.44 | 2.20 | 1.83 | 2.08 | 1.27 | 0.63 |
| Mortgage Registration | 0.46 | 0.50 | 0.35 | 0.35 | 0.28 | 0.25 | 0.38 | 0.20 | 0.28 | 0.39 | 0.30 | 0.30 |
| Transient Guest | 0.22 | 0.23 | 0.20 | 0.20 | 0.19 | 0.15 | 0.04 | - | - | - | - | - |
| Corporation Franchise | 0.21 | 0.21 | 0.21 | 0.21 | 0.20 | 0.19 | 0.25 | 0.09 | 0.13 | 0.17 | 0.31 | 0.34 |
| Motor Carrier Property | 0.20 | 0.21 | 0.22 | 0.22 | 0.21 | 0.20 | 0.19 | 0.15 | 0.16 | 0.09 | 0.03 | (e) |
| Intangibles | 0.06 | 0.07 | 0.07 | 0.07 | 0.06 | 0.23 | 0.98 | 0.64 | 0.70 | 1.09 | 0.93 | 0.72 |
| Parimutuel | 0.05 | 0.06 | 0.06 | 0.05 | 0.08 | 0.16 | - | - | - | - | - | - |
| All Other (d) | 0.13 | 0.14 | 0.15 | 0.15 | 0.14 | 0.06 | 0.20 | 0.15 | 0.31 | 1.48 | 1.60 | 0.40 |
| Total | 100.00% |

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

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

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

(d) Total revenue from eight taxes.

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

TABLE XI—STATE COLLECTED TAXES ALLOCATED TO OR SHARED WITH LOCAL UNITS OF GOVERNMENT FROM TAXES LISTED IN TABLE III

In Thousands

| | <u>FY 1996</u> | <u>FY 1997</u> | <u>FY 1998</u> | <u>FY 1999</u> | <u>FY 2000</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Transportation-User Taxes to Counties, Cities, & Townships ¹ | \$ 130,671 | \$ 135,975 | \$ 139,061 | \$ 145,294 | \$ 174,991 |
| Firefighters' Relief Tax to Local Firefighters' Relief Associations ² | 4,359 | 4,749 | 5,072 | 5,468 | 5,127 |
| Bingo Enforcement Tax to County or City Based on Licensed Premises | 414 | 349 | 337 | 327 | 303 |
| Liquor Drink Tax to County or City Based on Collections From Licensees Therein | 13,259 | 13,546 | 14,604 | 14,912 | 15,226 |
| Severance Tax to Counties and School Districts ³ | 4,586 | 5,364 | 5,240 | 3,174 | 3,189 |
| Racing Admissions Tax to City and/or County Where Racing Facility Located | 2 | 2 | 3 | 2 | 2 |
| Illegal Drug Taxes to Local Units | 672 | 751 | 817 | 1,201 | 1,099 |
| Mortgage Registration Tax to Qualifying Local Units ⁴ | 173 | 45 | 94 | 206 | 286 |
| Motor Vehicle Rental Excise Tax to Property Tax Levy Units | 1,882 | 2,098 | 2,248 | 2,619 | 3,050 |
| New Tires Tax to Qualifying Cities or Counties | 837 | 614 | 0 | 0 | 0 |
| From State General Fund ⁵ | | | | | |
| for Education ⁶ | 1,729,379 | 1,754,473 | 1,934,003 | 2,180,481 | 2,313,701 |
| for Property Tax Reduction ⁷ | 46,301 | 46,949 | 47,771 | 55,122 | 57,903 |
| to Counties and Cities (Revenue Sharing) ⁷ | 34,610 | 35,095 | 35,709 | 36,566 | 36,932 |
| Other ⁸ | 73,020 | 83,190 | 98,605 | 125,402 | 132,349 |
| Total, General Fund | \$ 1,883,310 | \$ 1,919,707 | \$ 2,116,088 | \$ 2,397,571 | \$ 2,540,885 |
| GRAND TOTAL | \$ 2,040,165 | \$ 2,083,201 | \$ 2,283,564 | \$ 2,570,774 | \$ 2,744,158 |

SOURCES: Records of the Division of Accounts and Reports and state budget documents.

- 1) Includes city maintenance payments, Special City and County Highway Fund, County Equalization and Adjustment Fund, County Treasurer's Licensing Fee Fund, aid for public transportation, aid for aviation, and an amount equal to annual receipts from the motor carrier tax credited to the State General Fund which is earmarked for transfer to the Special City and County Highway Fund.
- 2) Excludes payments to the State Firefighters Association and any amount of the tax used for administration.
- 3) Seven percent of the tax is returned to producing areas.
- 4) Amount distributed from the Heritage Trust Fund.
- 5) Taxes accounted for 97.49 percent of General Fund receipts in FY 2000. The "Other" category does not include the motor carrier tax transfer to the Special City and County Highway Fund because those amounts are included in "Highway-User Taxes."
- 6) This category includes aid to school districts, community colleges, Washburn University (including Public TV), local libraries, area vocational schools and technical institutes, the state's contribution for school employees retirement (KPERs-School), arts program grants, and the KUMC telemedicine program. Aid to school districts does not include "excess" local effort remitted to the state by certain districts with exceptionally high assessed valuations; these amounts were included in the tax levies of those districts.
- 7) By law, fixed percentages of state sales and use taxes credited to the General Fund are transferred to the Local Ad Valorem Tax Reduction Fund and the County-City Revenue Sharing Fund, unless the Legislature limits the transfers by separate legislation.
- 8) The principal aids included in "Other" were for community corrections and community conservation camps, local public health, community mental health and retardation and associated community assistance grants, Aging Department programs, and the juvenile community programs.

TABLE XII – STATE COLLECTED TAXES ALLOCATED TO OR SHARED WITH LOCAL UNITS OF GOVERNMENT FROM TAXES LISTED IN TABLE IV

In Thousands

| | <u>FY 2000</u> | <u>FY 1990</u> | <u>FY 1980</u> | <u>FY 1970</u> | <u>FY 1960</u> | <u>FY 1950</u> | <u>FY 1940</u> | <u>FY 1930</u> |
|--|------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Transportation-User Taxes to Counties, Cities, and Townships ¹ | \$ 174,991 | \$ 96,223 | \$ 40,675 | \$ 23,990 | \$ 11,424 | \$ 7,227 | \$ 3,670 | \$ 3,366 |
| Cigarette Tax to Counties and Cities | -- | -- | -- | 4,706 | 3,259 | 2,465 | 386 | -- |
| Liquor Enforce. Tax to Counties and Cities | -- | -- | -- | 1,542 | 991 | 673 | -- | -- |
| Motor Carrier Tax to School Districts ¹ | -- | -- | -- | 1,392 | 743 | 213 | 29 | -- |
| Firefighters' Relief Tax to Local Firefighters' Relief Associations ² | 5,127 | 3,478 | 1,833 | 550 | 329 | 212 | 75 | 102 |
| Bingo Enforce. Tax to County or City Based on Licensed Premises | 303 | 264 | 393 | -- | -- | -- | -- | -- |
| Liquor Drink Tax to County or City Based on Collections From Licensees Therein | 15,226 | 9,740 | 3,876 | -- | -- | -- | -- | -- |
| Severance Tax to Counties and School Districts ³ | 3,189 | 5,928 | -- | -- | -- | -- | -- | -- |
| Racing Admissions Tax to City and/or County Where Racing Facility Located | 2 | 14 | -- | -- | -- | -- | -- | -- |
| Illegal Drug Taxes to Local Units | 1,099 | 27 | -- | -- | -- | -- | -- | -- |
| Mortgage Regis. Tax to Qualifying Local Units ⁴ | 286 | -- | -- | -- | -- | -- | -- | -- |
| Motor Vehicle Rental Excise Tax to Property Tax Levy Units | 3,050 | -- | -- | -- | -- | -- | -- | -- |
| From State General Fund for Education ⁵ | 2,313,701 | 987,857 | 466,513 | 125,024 | 28,687 | 12,775 | 1,980 | 107 |
| for Prop. Tax Reduction ⁶ to Counties and Cities (Revenue Sharing) ⁶ | 57,903 | 35,326 | 18,361 | 12,500 | 12,500 | 12,500 | 4,426 | -- |
| to Counties for Welfare ⁷ | 36,932 | 26,601 | 13,753 | -- | -- | -- | -- | -- |
| Other | -- | -- | -- | 40,175 | 13,189 | 13,127 | 4,017 | -- |
| | 132,349 | 40,784 | 8,781 | 355 | 74 | 71 | 4 | 5 |
| Total, Gen. Fund | <u>2,540,885</u> | <u>1,090,568</u> | <u>507,408</u> | <u>178,054</u> | <u>54,450</u> | <u>38,473</u> | <u>10,427</u> | <u>112</u> |
| GRAND TOTAL | \$ 2,744,158 | \$ 1,206,242 | \$ 554,185 | \$ 210,234 | \$ 71,196 | \$ 49,263 | \$ 14,587 | \$ 3,580 |

Sources: Records of the Division of Accounts and Reports and state budget documents.

- 1) Includes city maintenance payments for all years; County and Township Road Fund for 1930-1970; County Road and City Street Fund for 1950-1970; Special City and County Highway Fund for 1970 and thereafter; County Equalization and Adjustment Fund for 1980 and thereafter; County Treasurer's Licensing Fee Fund for 1990 and 2000; and aid for elderly and handicapped transportation for 1990; and for public transportation and aviation for 2000. Beginning in FY 1981, an amount equal to annual receipts from the motor carrier tax credited to the State General Fund was earmarked for transfer to the Special City and County Highway Fund.
- 2) Excludes payments to the State Firefighters Association and any amount of the tax used for administration.
- 3) Seven percent of the tax is returned to producing areas.
- 4) Amount distributed from the Heritage Trust Fund.
- 5) This category includes aid to school districts, community colleges, Washburn University (including Public TV), local libraries, area vocational schools and technical institutes, the state's contribution for school employees retirement (KPERs-School), arts program grants, and the KUMC telemedicine program. Aid to school districts does not include "excess" local effort remitted to the state by certain districts with exceptionally high assessed valuations; these amounts were included in the tax levies of those districts.
- 6) By law, fixed percentages of state sales and use taxes credited to the General Fund are transferred to the Local Ad Valorem Tax Reduction Fund and the County-City Revenue Sharing Fund. The latter was created in 1978 (effective 1/1/79) and the state now retains the portions of cigarette, liquor enforcement, and domestic insurance company privilege taxes formerly distributed to local units.
- 7) The state assumed the local cost of public assistance (welfare) programs in January, 1974, thus eliminating the need for state aid.

Table XIII

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

| | <u>FY 2000</u> | <u>FY 1999</u> | <u>FY 1998</u> | <u>FY 1997</u> | <u>FY 1996</u> | <u>FY 1990</u> | <u>FY 1980</u> | <u>FY 1970</u> | <u>FY 1960</u> | <u>FY 1950</u> | <u>FY 1940</u> | <u>FY 1930</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| State Taxes (\$000) | \$ 4,880,939 | \$ 4,555,513 | \$ 4,605,403 | \$ 4,199,176 | \$ 3,954,189 | \$2,780,807 | \$1,328,404 | \$ 432,839 | \$ 210,559 | \$ 115,750 | \$ 41,302 | \$ 25,551 |
| Local Taxes (\$000) | <u>3,019,043</u> | <u>2,844,536</u> | <u>2,723,830</u> | <u>2,704,078</u> | <u>2,622,319</u> | <u>2,087,623</u> | <u>941,358</u> | <u>490,852</u> | <u>267,631</u> | <u>121,723</u> | <u>60,064</u> | <u>82,389</u> |
| Total (\$000) | \$ 7,899,982 | \$ 7,400,049 | \$ 7,329,233 | \$ 6,903,254 | \$ 6,576,508 | \$4,868,430 | \$2,269,762 | \$ 923,691 | \$ 478,190 | \$ 237,473 | \$101,366 | \$ 107,940 |
| State Population (000) | 2,654 | 2,639 | 2,616 | 2,598 | 2,587 | 2,473 | 2,347 | 2,236 | 2,160 | 1,925 | 1,824 | 1,867 |
| Kansas Personal Income (\$ millions) | \$ 71,193.5 | \$ 67,779.7 | \$ 63,720.8 | \$ 60,073.7 | \$ 56,626.7 | \$ 42,267.3 | \$ 21,689.6 | \$ 7,933.9 | \$ 4,548.3 | \$ 2,501.2 | \$ 696.5 | \$ 993.7 |
| Per Capita Income | \$ 26,824 | \$ 25,687 | \$ 24,355 | \$ 23,121 | \$ 21,889 | \$ 17,093 | \$ 9,240 | \$ 3,548 | \$ 2,106 | \$ 1,299 | \$ 382 | \$ 532 |
| Per Capita Taxes | | | | | | | | | | | | |
| State | \$ 1,839 | \$ 1,726 | \$ 1,760 | \$ 1,616 | \$ 1,529 | \$ 1,125 | \$ 566 | \$ 194 | \$ 97 | \$ 60 | \$ 23 | \$ 14 |
| Local | <u>1,138</u> | <u>1,078</u> | <u>1,041</u> | <u>1,041</u> | <u>1,014</u> | <u>844</u> | <u>401</u> | <u>220</u> | <u>124</u> | <u>63</u> | <u>33</u> | <u>44</u> |
| Total | <u>\$ 2,977</u> | <u>\$ 2,804</u> | <u>\$ 2,801</u> | <u>\$ 2,657</u> | <u>\$ 2,542</u> | <u>\$ 1,969</u> | <u>\$ 967</u> | <u>\$ 413</u> | <u>\$ 221</u> | <u>\$ 123</u> | <u>\$ 56</u> | <u>\$ 58</u> |
| Ratio of Taxes to Personal Income | | | | | | | | | | | | |
| State | 6.86% | 6.72% | 7.23% | 6.99% | 6.98% | 6.58% | 6.12% | 5.46% | 4.63% | 4.63% | 5.93% | 2.57% |
| Local | <u>4.24%</u> | <u>4.20%</u> | <u>4.27%</u> | <u>4.50%</u> | <u>4.63%</u> | <u>4.94%</u> | <u>4.34%</u> | <u>6.19%</u> | <u>5.88%</u> | <u>4.87%</u> | <u>8.62%</u> | <u>8.29%</u> |
| Total | <u>11.10%</u> | <u>10.92%</u> | <u>11.50%</u> | <u>11.49%</u> | <u>11.61%</u> | <u>11.52%</u> | <u>10.46%</u> | <u>11.64%</u> | <u>10.51%</u> | <u>9.49%</u> | <u>14.55%</u> | <u>10.86%</u> |

(1) Estimates of the U.S. Department of Commerce, revised in May and September 2000. The income figure in each column is for the calendar year in which the fiscal year began.

PART II – INFORMATION ON INDIVIDUAL TAXES

Introduction

In general, the following information is presented on each 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 1996 through FY 2000. Some additional information is presented for certain taxes to aid in understanding their particular background and application. As used in this publication, the letters KSA in the statutory citations stand for both *Kansas Statutes Annotated* and Supplements thereto.

The tax summaries are grouped according to major categories, which appear in the following order: state property taxes; income and inheritance taxes; sales, use, severance, and all other excise taxes; gross receipts taxes; payroll taxes, major state taxes no longer in effect; local taxes, including local property taxes, state-imposed locally retained taxes, and nonproperty taxes authorized for local use; and certain local taxes no longer authorized.

Because of the summary nature of the information in this section, some technical details have been omitted except where the omission would materially detract from the description. Individuals desiring a complete description of all elements of the individual taxes should refer to the appropriate statutory citation. Generally, the detailed description of specific taxes does not present historical material except as it relates to tax rates and collections unless it is necessary to illustrate current relationships between various taxes levied by the state and local governments.

STATE PROPERTY TAXES

State Property Tax Levies

Enacted:

1. 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.
2. State Institutions (formerly Charitable Hospital) Building Fund levy was authorized by a constitutional amendment (Art. 7, Sec. 6) in 1952; first levy was made in 1953.
3. Correctional Institutions Building Fund levy (temporary) first made in 1976, last levied in 1990.

2. 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.

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 June 20. If tax is \$10 or less, the entire amount is payable December 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. 1.0 mill—Educational Building Fund; effective 1955; and

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 |

Disposition of Revenue:

1. All of EBF levy is earmarked for the erection, equipment, and repair of buildings at the educational institutions under the State Board of Regents.*
2. 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. Pursuant to 1997 legislation "state institutions" is defined to include those institutions under the authority of the Commissioner of Juvenile Justice.
3. 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 |
|------|-----------|----------|-----------|
| 2000 | \$ 19,790 | \$ 9,895 | \$ 29,685 |
| 1999 | 18,885 | 9,443 | 28,328 |
| 1998 | 18,169 | 9,084 | 27,253 |
| 1997 | 16,729 | 8,364 | 25,133 |
| 1996 | 16,236 | 8,118 | 24,354 |

* 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.

- * From 1955, when rate was increased from 3/4 mill to 1 mill, through 1968, 25 percent of EBF was earmarked for State School Dormitory Fund.

Motor Carrier Property Tax

Enacted: 1929.

Statewide Average Mill Levies

Statutory Citation: KSA, Ch. 79, Art. 6a.

Administration and Collection:
Department of Revenue, Division of
Property Valuation.

Collection Period: Same as other property taxes; one-half payable by December 20 and the other half by the following June 20; if tax is less than \$50, the entire amount is due by December 20.

Tax Base: Assessed valuation of over-the-road motor vehicles and rolling equipment owned, used, or operated by persons who, in effect, operate such property in nonlocal intrastate or in interstate business, *i.e.*, motor carriers who are required to secure certain certificates, licenses, or permits from the Kansas Corporation Commission. For interstate operators, valuation is prorated on the basis of mileage traveled in Kansas.

Present Rate: The average rate of property tax levies for all purposes in the taxing districts of the state for the preceding year.

History of Tax Rates: The 1929 law required the assessed values to be certified back to the counties for application of the local tax levies. The present "average state rate" procedure was enacted in 1935, with the revenue earmarked for the Annual School Fund, which has been abolished. The statewide average levy for recent years is as follows:

| Tax Year | Mill Levy | Exhibit: |
|-------------|--------------|--------------------------------|
| | | USD General Fund Levy |
| 1999 | 107.382 | 20 |
| 1998 | 104.223 | 20 |
| 1997 | 108.397 | 27 |
| 1996 | 118.153 | 35 |
| 1995 | 118.894 | 35 |
| 1994 | 118.073 | 35 |
| 1993 | 114.079 | 33 |
| 1992 | 110.113 | 32 |
| 1991 | 125.264 | n/a * |
| 1990 | 116.089 | n/a * |

* Prior to the enactment of the 1992 school finance law, school district general fund levies were set by local school boards. In 1991, for example, they ranged from a low of 9.12 mills (Burlington) to a high of 97.69 mills (Parsons).

Major Changes in Tax Base: The 1955 Legislature extended the coverage of the tax and expanded the basis for evaluation of motor carrier property as part of a tax package enacted when the ton-mile tax was repealed. The assessment of certain rolling equipment and nonmotorized vehicles was changed starting in 1989 from 30 percent of market value to 20 percent of its retail cost when new, depreciated (pursuant to Art. 11, Sec. 1 of the *Kansas Constitution*). A subsequent constitutional amendment increased the assessment level to 25 percent starting in 1993 while retaining the retail-cost-when-new valuation procedure.

Disposition of Revenue: Since July 1, 1976, motor carrier tax receipts have been deposited in the State General Fund. Previously, proceeds from this tax were deposited into the former State School Equalization Fund or a predecessor fund and were used to help pay state aid to school districts. Starting in FY 1981, an amount equal to the tax revenue was transferred from the State General Fund to the Special City and County Highway Fund (SCCHF). But beginning in FY 1991, the Legislature began reducing the amount of the transfer below the amount of State General Fund receipts. For example, in FY

2000 the SCCHF transfer was \$11.182 million while State General Fund receipts were \$16.125 million.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|--------|
| FY 2000 | \$ | 16,125 |
| FY 1999 | | 15,771 |
| FY 1998 | | 15,998 |
| FY 1997 | | 15,683 |
| FY 1996 | | 14,008 |

Mandatory School District General Fund Levy

Enacted: 1992.

Statutory Citation: KSA 2000 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 June 20. If tax is \$10 or less, the entire amount is payable December 20.

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 2000 Supp. 79-201x provides an exemption—from this levy only—through tax year 2000 for the first \$20,000 of the appraised valuation of property used for residential purposes.

Present Rate: 20 mills for the 2000-2001 school year (tax year 2000).

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 "infirmary" 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 | 20 mills | (\$20,000 residential exemption also effective) |
| 1999 | 20 mills | (\$20,000 residential exemption also effective) |

remitted to the State School District Finance Fund. In the 1999-2000 school year, two of the 304 school districts (Moscow and Burlington) remitted a total of \$5.8 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:

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

(\$ in thousands)

| | |
|---------|------------|
| FY 2000 | \$ 342,278 |
| FY 1999 | 375,588 |
| FY 1998 | 493,958 |
| FY 1997 | 568,317 |
| FY 1996 | 527,590 |

INCOME AND ESTATE 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.

| 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 | 7.35% |
| \$30,001 and above | 6.45% | \$60,001 and above | 6.45% | | |

History of Tax Rates:

| <u>Taxable Income</u> | <u>1933-56</u> | <u>1957</u> | <u>1958-64</u> | <u>1965-66</u> | <u>1967-69</u> | <u>1970-76</u> | <u>1977-87</u> | <u>1988</u> | <u>1989-91^a</u> | <u>1992-96</u> | <u>1997</u> |
|--|----------------|-------------|----------------|----------------|----------------|----------------|----------------|-------------|----------------------------|----------------|-------------|
| 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 |
| Corporations | | | | | | | | | | | |
| First \$25,000 | 2.0% | 3.0% | 3.5% | 4.5% | 4.5% | | | | | | |
| \$25,001 and above | 2.0 | 3.0 | 3.5 | 4.5 | 6.75 | | | | | | |

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 2000 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 of at least two new jobs. These credits are earned in the year the jobs are created and capital investment is made and for each of nine successive years thereafter. Credits may be used to offset up to 50 percent of the business' Kansas income tax liability. Unused credits may not be carried forward.
- ◆ **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 10 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 15 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 \$30 or \$60 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 beginning in tax year 2001 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.

- ◆ **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 State General Fund, except that up to 1 percent of employer withholding taxes applied to individuals may be diverted to the Kansas Investments in Major Projects and Comprehensive Training (IMPACT) program funds.

Net Collections:

(\$ in thousands)

| | <u>Individual</u> | <u>Corporation</u> | <u>Total</u> |
|---------|-------------------|--------------------|--------------|
| FY 2000 | \$1,861,624 | \$250,123 | \$2,111,747 |
| FY 1999 | 1,697,580 | 227,370 | 1,924,950 |
| FY 1998 | 1,744,030 | 281,651 | 2,025,681 |
| FY 1997 | 1,527,516 | 263,573 | 1,791,089 |
| FY 1996 | 1,391,829 | 218,587 | 1,610,416 |

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 (Amounts in Percent) | | | | | |
| 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 15 percent of property taxes paid on commercial and industrial machinery and equipment.

Disposition of Revenue: To State General Fund.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|--------|
| FY 2000 | \$ | 22,301 |
| FY 1999 | | 26,356 |
| FY 1998 | | 22,150 |
| FY 1997 | | 26,506 |
| FY 1996 | | 35,262 |

Estate Tax

Enacted: 1978 (changes in Kansas Inheritance Tax Act conformed Kansas to federal law for pick-up estate tax purposes). Kansas Estate Tax Act applicable to estates of all decedents dying on and after July 1, 1998. (The Kansas Inheritance Tax Act was repealed on that date.)

Statutory Citation: KSA 79-15,100 *et seq.*

Administration and Collection: Department of Revenue, Division of Taxation

Collection: Tax is due upon the filing of federal estate tax return (generally within nine months after the death of the decedent).

Tax Base: Estates of resident decedents and nonresident decedents holding interest in property with a Kansas tax situs which are required by federal law to file for federal estate tax purposes. The estate is defined to include "real, personal and mixed property or interest therein ... which shall pass or be transferred to legatees, devisees, heirs, next of kin, grantees, donees, vendees, or successors." Apportionment

language determines the taxable share of resident-decedents with property in other states and nonresident decedents with property in Kansas.

Rate: The amount of Kansas estate tax liability is equal to the maximum credit allowable by Section 2011 of the federal Internal Revenue Code against the tax imposed on the transfer of the estate by the decedent. (This is known as the “pick-up” tax.) The state also picks-up the maximum federal generation-skipping transfer tax credit.

Federal Estate Tax Exemptions and Exclusions: Unified federal estate and gift tax credits allow an estate of an individual decedent to exempt the following amounts from taxation:

| Year | Exemption Under Unified Credit | Closely-Held Business Exclusion | Total Exclusion for Closely-Held Businesses |
|---------------------|--------------------------------|---------------------------------|---|
| 2000-01 | \$ 675,000 | \$ 625,000 | \$ 1,300,000 |
| 2002-03 | 700,000 | 600,000 | 1,300,000 |
| 2004 | 850,000 | 450,000 | 1,300,000 |
| 2005 | 950,000 | 350,000 | 1,300,000 |
| 2006 and thereafter | 1,000,000 | 300,000 | 1,300,000 |

An additional exclusion for “closely-held” family farms and businesses allows qualifying estates to exempt up to \$1.3 million from taxation. Since the exemptions and exclusions are available on an individual basis, a husband and wife will be able to transfer up to \$2.0 million of assets free of estate taxes starting in 2006 and can currently transfer up to \$2.6 million of assets relating to closely-held business interests.

History of Tax Rates: Prior to the repeal of the inheritance tax in 1998, estates paid

the greater of the pick-up estate tax or the inheritance tax. Inheritance tax exemptions of \$30,000 were available for lineal ascendants and descendants; and \$5,000 for brothers and sisters. Rates ranged from 1 to 5 percent on lineal ascendants and descendants; from 3 to 12.5 percent on brothers and sisters; and from 10 to 15 percent on all others.

Disposition of Revenue: To State General Fund

Net Collections:

| | (\$ in thousands) | | |
|---------|-------------------|-------------|-----------|
| | Estate | Inheritance | Total |
| FY 2000 | \$ 59,081 | \$ 3,807 | \$ 62,888 |
| FY 1999 | 11,620 | 70,239 | 81,859 |
| FY 1998 | n/a | n/a | 88,651 |
| FY 1997 | n/a | n/a | 76,029 |
| FY 1996 | n/a | n/a | 98,704 |

Note: Estate and inheritance taxes were commingled prior to 1998. Repeal of the inheritance tax was expected to reduce receipts by about 67 percent when fully phased in.

SALES, USE, SEVERANCE, AND OTHER EXCISE TAXES

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 \$1,600 | Quarterly, on or before the 25th of next succeeding month. |
| \$1,600.01 to \$32,000 | Monthly, on or before the 25th of next succeeding month. |
| \$32,000.01 to \$100,000 | Monthly, on or before the 25th of next succeeding month and must include liability of first 15 days of current month. |
| \$100,000.01 and above | Same schedule as filers with annual liability in excess of \$32,000, except that electronic funds transfers may be required by the Secretary of Revenue. |

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

Present Rate: 4.90 percent on most taxable transactions, effective June 1, 1992. An additional 2 percent tax may be levied on purchases within the Land of Oz redevelopment district, bringing the total state rate on such purchases to 6.90 percent. (Also, since 40 percent of the gross receipts from the sale of new mobile homes and manufactured homes is exempt, the effective rate on such sales is

2.94 percent.) From July 1, 2001, through June 30, 2001, rate on sales of bingo cards, bingo faces, and instant bingo tickets will be 2.5 percent.

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; and to 4.90 percent in 1992.

Major Changes in Tax Base:

1. The 1957 Legislature extended tax to hotel and motel rentals and to isolated sales of motor vehicles and trailers.
2. In 1961 the tax was extended to cigarettes and cereal malt beverages.
3. 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."
4. 1971 legislation provided a procedure for exempt purchases by contractors on federal projects.
5. 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.
6. 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.
7. 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.
8. Legislation in 1980 exempted sales of materials and services used in repairing or manufacturing railroad rolling stock used in interstate commerce.
9. 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.
10. 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.

11. 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.
12. In 1985 an exemption for used mobile homes was enacted.
13. Food purchased with food stamps was exempted in 1986.
14. 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.
15. 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.
16. 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.

17. Water protection fees were exempted in 1990.
18. In 1991, the exemption for used mobile homes was amended to include "manufactured homes."
19. 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.
20. 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.
21. 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.
22. 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.
23. 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.
24. 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-teach 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.

25. 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.
26. 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.

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 \$25,000 or less to qualify for refunds of up to \$60 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 by raising the income threshold to \$25,000, by increasing the amount of the refunds, and by allowing income eligibility to be determined based upon adjusted gross income instead of total household income. Legislation enacted in 2000 slightly contracted the program by requiring persons to add income from certain governmental debt and public-sector pensions to KAGI. Refunds of \$19.976 million were paid in FY 2000.

Disposition of Revenue: Currently, 5/98 to State Highway Fund (SHF) and 93/98 to State General Fund (SGF).¹ Of the SGF amount, 3.63 percent of receipts from a given calendar year are earmarked for transfer to the Local Ad Valorem Tax Reduction Fund (LAVTRF) and 2.823 percent of such receipts are earmarked for transfer to the County-City Revenue Sharing Fund (CCRSF). Additional percentages of SGF receipts are earmarked for transfer to the SHF as follows:

| | |
|------------------------|--|
| FY 2002 | 9.5 percent of receipts in previous calendar quarter |
| FY 2003 | 11 percent of such receipts |
| FY 2004 | 11.25 percent of such receipts |
| FY 2005 and thereafter | 12 percent of such receipts |

Net Collections: (\$ in thousands)

| | |
|---------|-------------|
| FY 2000 | \$1,520,412 |
| FY 1999 | 1,474,536 |
| FY 1998 | 1,424,215 |
| FY 1997 | 1,301,355 |
| FY 1996 | 1,243,081 |

¹ Exceptions to this distribution formula are provided for revenues collected from within certain redevelopment districts (auto race track facility and Land of Oz), historic theater districts, and the Kansas City Kansas Community College Multisport Athletic Complex District. When such districts have been lawfully established, all state sales taxes collected therein are to be earmarked for the payment of bonds.

Compensating (Use) Tax – Consumers' and Retailers'

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 has already 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."

Present Rate: 4.90 percent, effective June 1, 1992. (Rate of 6.90 is possible for the privilege of using, storing, or consuming tangible personal property in certain redevelopment districts.)

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; and to 4.90 percent in 1992.

Exemptions: Besides the sales tax exemptions, other exemptions from the compensating 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: 93/98 to State General Fund and 5/98 to State Highway Fund. Same sales tax earmarking provisions of State General Fund revenues are applicable for use tax for LAVTRF and CCRSF (but not SHF).

Net Collections: (\$ in thousands)

| | Consumers' | Retailers' | Total |
|---------|------------|------------|------------|
| FY 2000 | \$ 92,614 | \$ 130,809 | \$ 223,423 |
| FY 1999 | 90,423 | 121,612 | 212,035 |
| FY 1998 | 80,705 | 114,326 | 195,031 |

| | | | |
|---------|--------|---------|---------|
| FY 1997 | 72,258 | 102,241 | 174,499 |
| FY 1996 | 69,023 | 88,918 | 157,941 |

Severance Tax

Enacted: 1957 tax on oil and gas held invalid by Kansas Supreme Court in January, 1958, on the grounds that the title of the enacted bill was defective (182 Kan. 437). Tax on oil, gas, coal, and salt enacted in 1983, effective May 1, 1983. Tax on salt repealed in 1987.

Statutory Citation: *1957 Session Laws*, Ch. 516; KSA, Ch. 79, Art. 42.

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

Collection Period: Monthly; payment due by 20th day of second following month in which tax liability was incurred.

Tax Base: Gross value of oil and gas (sale price at time of removal from production unit); volume of production of coal.

Present Tax Rates: Effective rate for oil and gas is 4.33 percent (8 percent, less property tax credits of 3.67 percent); \$1 per ton on coal.

History of Tax Rates: 1957 Law: 1 percent on oil and gas. 1983 Law: 4 cents per ton on salt (until 1987); 7 percent on gas (until 1994). **Note:** The 1994 Legislature enacted a rate reduction for gas phased in over three years.

Major Changes in Tax Base: The 1987 Legislature amended the severance tax to:

- expand, for oil, the qualifying amount for the low production exemption;
- exempt salt from the tax effective July 1, 1987; and

- expand the coal exemption to the first 350,000 tons produced annually from each mine.

The 1994 Legislature enacted exemptions for production of oil and gas from three-year inactive leases.

The 1998 Legislature substantially expanded the low-production exemptions for both oil and gas and enacted a new exemption for incremental production from certain enhancement projects.

Exemptions: 1957 Law: No exemptions. Current law: Oil – wells less than 2,000 feet deep on a lease producing an average of five barrels or less per day; the qualifying amount for the low production exemption for a lease or production unit deeper than 2,000 feet is based on the average price paid per barrel from July to December of the preceding year:

| Price | Normal Exemption Threshold | Water-Flood Exemption Threshold |
|--------------------|----------------------------|---------------------------------|
| Over \$16 | 6 bbls per day or less | 7 bbls per day or less |
| \$15.01 to \$16.00 | 7 bbls per day or less | 8 bbls per day or less |
| \$14.01 to \$15.00 | 8 bbls per day or less | 9 bbls per day or less |
| \$13.01 to 14.00 | 9 bbls per day or less | 10 bbls per day or less |
| \$13.00 to less | 10 bbls per day or less | 10 bbls per day or less |

All production from a tertiary recovery process is exempt, as is production from any new pool for the first two years. All production from three-year inactive wells is

exempt for the next ten years. Incremental production from production enhancement projects also is exempt.

Gas – wells having an average daily production valued at \$87 or less; gas used for domestic or agricultural purposes on the production unit from which it is severed; gas from any new pool for a period of two years. All production from three-year inactive wells is exempt for the next ten years. Incremental production from production enhancement projects also is exempt.

Coal – first 350,000 tons of coal from each mine.

Disposition of Revenue: 1957 Law: To State General Fund; Current Law: 93 percent to State General Fund, 7 percent to

Special County Mineral Production Tax Fund for distribution to counties and unified school districts in producing areas.

Net Collections: 1957 Law: \$2.0 million was collected during the six-month period of FY 1958 that the tax was operative. At that time, the annual revenue estimate was \$4.1 million. Current Law:

(\$ in thousands)

| | <u>FY 1996</u> | <u>FY 1997</u> | <u>FY 1998</u> | <u>FY 1999</u> | <u>FY 2000</u> |
|-------|------------------|------------------|------------------|------------------|------------------|
| Gas | \$ 48,046 | \$ 57,420 | \$ 48,072 | \$ 32,441 | \$ 38,697 |
| Oil | 15,535 | 18,293 | 14,486 | 8,491 | 14,272 |
| Coal | 0 | 0 | 0 | 0 | 0 |
| Total | <u>\$ 63,581</u> | <u>\$ 75,713</u> | <u>\$ 62,558</u> | <u>\$ 40,932</u> | <u>\$ 52,969</u> |

Note: No revenue has been received from coal production since FY 1991.

Motor Fuels Taxes

Enacted: 1925 – gasoline tax; 1941 – special fuels tax, (including LP gas); 1959 – LP gas tax; 1979 – gasohol tax.

Statutory Citation: KSA, Chapter 79, Article 34.

Administration and Collections: Department of Revenue, Division of Taxation and Division of Vehicles.

Collection Period:

- Gasoline. Tax is due by the 25th day of each month on fuels received by distributors, manufacturers, or importers during the preceding month.
- Special Fuel (including diesel, and all other fuels types other than gasoline and LP gas). Same as gasoline.

- Liquefied Petroleum (LP) Gas. Same as gasoline, except paid by user-dealer.
- Interstate Motor Fuel User Tax. Tax is paid quarterly.

Tax Base: Gallons of fuel received, delivered, or used. Distributors are allowed to deduct a 2.5 percent handling allowance on gasoline and special fuels received. No allowances are made on gasoline and special fuels exported from the state or sold to the federal government or its agencies; nor are allowances made on gasoline or special fuels sold or disposed of to consumers in tank cars, transport, or pipeline lots.

Kansas law provides that, unless specifically exempt from sales tax, sale of motor fuels will be subject to the Kansas sales tax if no Kansas excise tax has been

imposed. No motor fuel tax is imposed on gasoline or special fuel for the following transactions:

- export from the state to any other state or territory;
- sale to the federal government or its agencies;
- sale to a contractor who performs work for the federal government or its agencies;
- sale which is aviation fuel;
- first sale or delivery to a duly licensed distributor who resells to another duly licensed distributor, and
- sale of indelibly dyed special fuel to be used for nonhighway purposes.

Present Rates*:

- Gasoline and gasohol – Twenty cents per gallon.
- Special Fuel – Twenty-two cents per gallon.
- Liquified Petroleum (LP) Gas – Nineteen cents per gallon.
- Interstate Motor Fuel User Tax – Same as Kansas rate for fuel type.

Operators of commercial motor vehicles that are qualified vehicles under either the International Fuel Tax Agreement or the Interstate Motor Fuel User Tax Law pay tax on fuel used in Kansas. Based on total miles operated in all states and total gallons of fuel used in all states, the average miles per gallon figure is applied to miles operated in Kansas to obtain taxable gallons in Kansas. An \$11 trip permit may be purchased by any interstate motor fuel

user in lieu of payment of the motor fuel tax (gasoline, gasohol, special fuel, or LP - gas). The trip permit fee is increased to \$11.50 on July 1, 2001, and to \$12 on July 1, 2003.

Disposition of Revenue: Annual amount of \$2.5 million earmarked for transfer to the Kansas Qualified Agricultural Ethyl Alcohol Producer Incentive Fund for gasohol subsidies. Of the remainder, from July 1, 1999 through June 30, 2001, 59.55 percent to State Highway Fund (SHF) and 40.45 percent to Special City and County Highway Fund (SCCHF); from July 1, 2001 through June 30, 2003, 61.55 percent to SHF and 38.45 percent to SCCHF; on July 1, 2003 and thereafter, 63.35 percent to SHF and 36.65 percent to SCCHF. Of the SCCHF monies, \$2.5 million is earmarked for subsequent transfer to the County Equalization and Adjustment Fund.

Net Collections:

(\$ in thousands)

| | |
|---------|------------|
| FY 2000 | \$ 358,569 |
| FY 1999 | 325,088 |
| FY 1998 | 320,373 |
| FY 1997 | 302,216 |
| FY 1996 | 295,441 |

* Under the 1999 Comprehensive Transportation Plan, gasoline, special fuel, and LP gas tax rates will increase by one cent as of July 1, 2001 and an additional cent as of July 1, 2003.

Motor Vehicle Registration Tax

Enacted: 1913.

Trailers, Semitrailers, Mobile Homes, Travel Trailers, Pole Trailers:

Statutory Citation: KSA, Ch. 8, Art. 1.

Administration and Collection:
Department of Revenue, Division of Vehicles; County Treasurers (collection).

| | |
|-------------------------------------|------|
| 2,000 or less (option of the owner) | \$15 |
| 2,001-8,000 pounds | 15 |
| 8,001-12,000 pounds | 15 |
| Over 12,000 pounds | 35 |

Collection Period: The following motor vehicles are registered under a monthly staggered registration schedule based on the first letter of the vehicle owner's last name: all passenger vehicles; all trucks with a gross weight of 12,000 pounds and under; and all motorcycles and motorized bicycles. Trucks over 12,000 pounds are registered annually in January (payable by February 15); truck or truck tractor fees in excess of \$100 may be paid in quarterly installments.

Motor vehicles, trailers, or semitrailer owned by any political or taxing subdivision of the state and used exclusively for governmental purposes: \$2.

History of Tax Rates:

1913 – \$5.00 for passenger cars.

1929 – \$8.00 plus 50 cents per 100 pounds over 2,000.

1933 – \$4.00 plus 25 cents per 100 pounds over 2,000.

1949 – \$6.50 plus 35 cents per 100 pounds over 2,000.

1961 – fees ranged from \$10.00 to \$20.00 on automobiles; from \$27.50 to \$1,350 on regular trucks; from \$15.00 to \$650.00 on local trucks; from \$8.50 to \$50.00 on farm trucks; from \$5.00 to \$25.00 on trailers; and \$5.00 on motorcycles; based on gross weight of vehicle.

1976 – fees ranged from \$13.00 to \$26.00 on automobiles; from \$27.50 to \$1,475.00 on regular trucks; from \$25.00 to \$775.00 on local trucks; from \$15.00 to \$62.00 for farm trucks; from \$10.00 to \$25.00 on trailers; \$10.00 on motorcycles; and \$5.00 for motorized bicycles.

1983 – fees for regular trucks 12,000 pounds and under lowered from \$27.50 to \$25.00; fees for farm trucks 12,000 pounds

Tax Base: Gross weight of vehicle.

Present Rates (illustrative, not all inclusive):

Passenger Vehicles

| | |
|----------------------|---------|
| 4,500 pounds or less | \$25.00 |
| Over 4,500 pounds | 35.00 |

Motorcycles 15.00

Motorized Bicycles 10.00

Trucks and Truck Tractors: Range is from \$35 for 12,000 pounds or less to \$1,925 for 80,001 to 85,000 pounds.

Local Trucks: Range is from \$35 for 12,000 pounds or less to \$1,000 for 80,001 to 85,500 pounds.

Farm Trucks: Range is from \$35 for 12,000 pounds or less to \$600 for more than 66,000 pounds.

and under raised from \$15.00 to \$25.00; and for farm trucks 12,001 to 16,000 pounds fee is raised from \$21.00 to \$25.00.

1989 – fees were increased generally to their current rates.

Disposition of Revenue: County treasurers retain all of the \$5.00 annual fee for antique vehicle registration; 75 cents for each license registration fee, duplicate license fee, and transfer of license plate fee; \$2.00 of each certificate of title fee; \$3.00 service fee (or \$5.00 service fee for registrations in satellite facilities); and 50 cents mailing fee for a license plate. In addition, county treasurers are authorized to retain \$60.00 per 100 registrations for the first 5,000 registrations; \$45.00 per hundred registrations for the next 5,000 registrations; and \$2.00 per 100 registrations for all registrations thereafter. County treasurers are not entitled to receive more than \$9,800 in additional annual compensation. These amounts are to be determined in December of each year. The balance is remitted to the Department of Revenue to be deposited in

the State Highway Fund, except that: (a) through June 30, 2004, \$2.50 of each certificate of title fee is credited to the Kansas Highway Patrol Motor Vehicle Fund; (b) through June 30, 2002, \$1 of each certificate of title fee is credited to the VIPS/CAMA Technology Hardware Fund; and (c) for repossessed vehicles, \$3 of each certificate of title fee is credited to the Repossessed Certificates of Title Fee Fund.

Net State Collections:

(\$ in thousands)

| | |
|---------|------------|
| FY 2000 | \$ 138,696 |
| FY 1999 | 137,872 |
| FY 1998 | 121,253 |
| FY 1997 | 123,456 |
| FY 1996 | 119,048 |

Note: County treasurers also retained the following amounts: \$10.89 million in CY 1999; \$10.58 million in CY 1998; \$8.96 million in CY 1997; \$9.91 million in CY 1996; and \$9.14 million in CY 1995.

Boat Registration Tax

Enacted: 1959.

Statutory Citation: KSA, Ch. 32, Art. 11.

Administration and Collections:
Department of Wildlife and Parks.

Collection Period: At the time of filing application for a certificate of number, which is valid for three years.

Tax Base: Vessels required to be numbered under the law (mechanically propelled or sailing vessels). Certain exemptions are prescribed by KSA 32-1113.

Present Rates: \$15 for three years if under 16 feet in length; \$ 18 for three years if 16 feet or longer; plus sellers may charge a 50 cent service fee.

History of Tax Rates:

1959 law – \$5 for three years

1970 law – \$3 for three years; \$2 for ten-day temporary permit

1975 law – \$9 for three years; no change in temporary permit

1982 law – current provision for temporary permit enacted

1989 law – Department authorized to set rates by regulation, within specified limits.

The current schedule began in 1993 and is found in KAR 115-2-4.

Major Changes in Tax Base: The 1959 law applied to motorboats, excluding those propelled by machinery of less than ten horsepower. The law was amended in 1970 to required numbering of all mechanically propelled or sailing vessels unless exempted by KSA 32-1113.

Disposition of Revenue: To the Boating Fee Fund of the Department of Wildlife and Parks to be used to administer and enforce Article 11, Chapter 32 of KSA (Regulation of watercraft and other activities). When sufficient moneys are available from taxes collected, they may be used to construct or repair boating facilities, ramps, and docks at public waters in Kansas.

Net Collections:

(\$ in thousands)

| | |
|---------|-------|
| FY 2000 | \$626 |
| FY 1999 | 646 |
| FY 1998 | 620 |
| FY 1997 | 597 |
| FY 1996 | 618 |

New Tire Excise Tax

Enacted: 1990.

Statutory Citation: KSA 65-3424 *et seq.*

Administration and Collection:
Department of Revenue

Collection Period: Retailers are required to remit collections as follows:

| Annual Collections | Filing Requirement |
|--------------------|---|
| \$80 or less | Annually, on or before January 25 |
| \$80.01 to \$1,600 | Quarterly, on or before 25th of next succeeding month |
| More than \$1,600 | Monthly, on or before 25th of next succeeding month |

Tax Base: Retail sale of all new tires, including new tires mounted on vehicles sold at retail for the first time. Innertubes are specifically exempt. Tax must be paid by purchaser and collected by retailer.

Present Rate: 50 cents per tire (in addition to state and applicable local sales taxes), with the rate scheduled to decrease to 25 cents per tire on July 1, 2001. This upcoming decrease was enacted in a package of amendments to the waste tire laws in 1996.

Disposition of Revenue: All to Waste Tire Management Fund.

Net Collections:

(\$ in thousands)

| | |
|---------|----------|
| FY 2000 | \$ 1,423 |
| FY 1999 | 1,384 |
| FY 1998 | 1,315 |
| FY 1997 | 1,291 |
| FY 1996 | 1,259 |

Corporation Franchise Tax

Enacted: Corporation Franchise Tax—1866; Limited Liability Company Franchise Tax—1990.

Statutory Citation: Corporation Franchise Tax: KSA, Ch. 17, Art. 75; Limited Liability Company Franchise Tax: KSA, Ch. 17, Art. 76.

Administration and Collection: Secretary of State.

Collection Period: Annual; due at time of filing annual report (when income tax return is due).

Tax Base: Corporations pay based on the shareholder's equity attributable to Kansas by three-factor formula using property, payroll, and sales. Limited Liability Companies (LLCs) pay based on net capital accounts located or used in Kansas, pursuant to KSA 17-76,139. Exemptions from the tax are provided for banks, insurance companies, savings and loans, firemen's relief associations, and certain venture capital companies. (See KSA 17-7512.)

Present Rates: The current tax rate for corporations, which was adopted in 1972, is \$1 per \$1,000 of corporation's shareholder's equity attributable to Kansas, with a minimum tax of \$20 and a maximum

of \$2,500. LLCs pay \$1 per \$1,000 of net capital accounts located in or used in the state, with a minimum tax of \$20 and a maximum of \$2,500. (One-member LLCs taxed as sole proprietorships pay \$1 per \$1,000 of net book value as calculated on an income tax basis, also limited to a liability range of \$20 to \$2,500.)

History of Tax Rates: From 1866 to 1913, charter and miscellaneous fees were required; from 1913 to 1972 the tax ranged from \$10 for not over \$10,000 paid up capital stock to \$2,500 for over \$5,000,000 paid up capital stock with a minimum charge of \$10. The Limited Liability Company Act was enacted in 1990. That act was replaced with the Revised Limited Liability Company Act on January 1, 2000.

Disposition of Revenues: To State General Fund.

Net Collection:

(\$ in thousands)

| | | |
|---------|----|--------|
| FY 2000 | \$ | 16,834 |
| FY 1999 | | 15,866 |
| FY 1998 | | 15,351 |
| FY 1997 | | 14,293 |
| FY 1996 | | 13,140 |

Cereal Malt Beverage and Malt Products Taxes

Enacted: 1937.

Statutory Citation: KSA, Ch. 41, Art. 5.

Administration and Collection:
Department of Revenue, Division of
Alcoholic Beverage Control.

Collection Period: Prior to 1962, the tax was paid upon purchase of tax stamps or crowns by the wholesaler, retailer, or distributor. The law was amended in 1962 to authorize a report system for paying and collecting the tax, such system to provide that the tax shall be paid by the 15th day of the month, following the month in which the distributor acquired possession of the taxable beverage.

Tax Base: Quantity sold, distributed, or transferred (in gallons or pounds). Cereal malt beverages and malt products manufactured in Kansas and shipped out of the state for consumption outside of the state are exempt.

Present Rate: Effective since July 1, 1977, the rates are:

| | |
|--|----------------|
| Beer of not more than 3.2 percent alcohol | \$.18 per gal. |
| Wort or liquid malt | .20 per gal. |
| Malt syrup or extract | .10 per lb. |

History of Tax Rates:

| | 1937 <u>Law</u> | 1941 <u>Law</u> | 1947 <u>Law</u> | 1970 <u>Law</u> |
|--------------------------|--------------------|--------------------|--------------------|--------------------|
| 3.2% Beer | \$.05 gal. | Same | \$.10 gal. | \$.15 gal. |
| Wort or liquid malt | .10 gal | Same | .20 gal. | .20 gal. |
| Malt syrup or extract | .02 lb. | \$.05 lb. | .10 lb. | .10 lb. |

Disposition of Revenue: To State General Fund.

Net Collections:

(\$ in thousands)

| | |
|---------|----------|
| FY 2000 | \$ 2,431 |
| FY 1999 | 2,448 |
| FY 1998 | 2,439 |
| FY 1997 | 2,460 |
| FY 1996 | 2,533 |

Liquor Gallonage Taxes

Enacted: 1949; constitutional amendment authorizing Legislature to regulate sale of liquor adopted in 1948 (Art. 15, Sec. 10).

Statutory Citation: KSA, Ch. 41, Art. 5.

Administration and Collection: Department of Revenue, Division of Alcoholic Beverage Control.

Collection Period: Director has prescribed a system of reporting, paying, and collecting the tax under which the tax is due on or before the 15th day of the month (10th day for beer) following which the distributor acquired possession of taxable liquor; except tax stamp procedure is used for certain military orders.

Tax Base: Quantity (gallons) of alcoholic beverages manufactured, used, sold, stored, or purchased in Kansas. Exemptions are provided for amounts of one gallon or less purchased outside the United States by a private citizen and brought into the state for personal use and

not sale or resale; liquors manufactured in Kansas and shipped out of state for sale and consumption out of state; sacramental wines; and certain alcohol and wine sold for use in the manufacture of patent and proprietary medicines, flavoring extracts, syrups, and food products; or scientific, industrial, and chemical products or purposes. An additional exemption is provided for alcohol or wine used by schools or colleges for scientific, chemical, experimental, or mechanical purposes; or by hospitals, sanatoria, or other institutions caring for the sick.

Present Rates: Effective July 1, 1977, the rates are:

| | |
|---------------------|-----------------|
| Beer, over 3.2% | \$.18 per gal. |
| Wine, 14% or less | \$.30 per gal. |
| Wine over 14% | \$.75 per gal. |
| Alcohol and Spirits | \$2.50 per gal. |

(**Note:** From 1983 to 1986, the rate on all domestic table wine was lowered to \$.15 per gallon.)

History of Tax Rates:

| | <u>1949 Law</u> | <u>1961 Law</u> | <u>1964 Law</u> | <u>1971 Law</u> |
|--|-----------------|-----------------|-----------------|-----------------|
| Beer, over 3.2% | \$.10 gal. | \$.12 gal. | \$.12 gal. | \$.15 gal. |
| Light Wine | \$.15 gal. | \$.20 gal. | \$.20 gal. | \$.20 gal. |
| Alcohol and Spirits, 100 proof or less | \$1.00 gal. | \$1.20 gal. | \$1.50 gal. | \$1.50 gal. |
| Alcohol and Spirits, 100 proof | \$2.00 gal. | \$2.40 gal. | \$1.50 gal. | \$1.50 gal. |

Disposition of Revenue: Beer and Wine – to State General Fund. Alcohol and Spirits – 90 percent to State General Fund, and 10 percent to the Community Alcoholism and Intoxication Programs Fund (CAIPF).

Net Collections:

(\$ in thousands)

| | |
|---------|-----------|
| FY 2000 | \$ 15,063 |
| FY 1999 | 14,496 |
| FY 1998 | 13,857 |
| FY 1997 | 13,437 |
| FY 1996 | 13,049 |

Note: Approximately \$7.3 million of receipts in FY 2000 was from beer; \$6.9 million from alcohol and spirits; \$0.8 million from fortified wine; and less

than \$0.1 million from light wine.

Liquor Enforcement Tax

Enacted: 1949 (see Liquor Gallonage Taxes).

Statutory Citation: KSA, Ch. 79, Art. 41.

Administration and Collection: Department of Revenue, Divisions of Taxation and Alcoholic Beverage Control.

Collection Period: Monthly; tax must be remitted by liquor retailers on or before the 25th day for prior month's collections.

Tax Base: Gross receipts from the sale of liquor to consumers by retailers, microbreweries; and farm wineries. Also on the gross receipts from the sale of liquor and cereal malt beverage to clubs, drinking establishments, and caterers by distributors.

Present Rate: 8 percent, effective July 1, 1983.

History of Rate Rates: 1949 law—2 percent; 1958 Special Session—2.5 percent; 1965 law—4 percent; and 1983 law—8 percent.

Disposition of Revenues: To State General Fund. The 2 percent tax was allocated 3 percent to the Administration Fee Fund and 97 percent to counties and cities until FY 1958 when all revenue was distributed to counties and cities. The 2.5 percent tax was allocated 20 percent to the State General Fund and 80 percent to counties and cities. The 4 percent tax was distributed 40 percent to the State General Fund and 60 percent to counties and cities until January 1, 1979, when county and city sharing in this tax was eliminated with the creation of the County and City Revenue Sharing Fund.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|--------|
| FY 2000 | \$ | 33,336 |
| FY 1999 | | 30,797 |
| FY 1998 | | 28,549 |
| FY 1997 | | 27,446 |
| FY 1996 | | 26,205 |

Liquor Drink (Excise) Tax

Enacted: 1979.

Statutory Citation: KSA, Ch. 79, Art. 41a.

Administration and Collection: Department of Revenue, Divisions of Taxation and Alcoholic Beverage Control.

Collection Period: Monthly, tax must be remitted by drinking places on or before the 25th day of the month following collection.

Tax Base: Gross receipts from the sale of alcoholic liquor as defined by KSA 41-102 by clubs, caterers, drinking

establishments, and temporary permit holders.

Present Rate: 10 percent.

History of Tax Rates: Unchanged since enactment.

Disposition of Revenues: 25 percent to State General Fund, 5 percent to Community Alcoholism and Intoxication Programs Fund, 70 percent to Local Alcoholic Liquor Fund, for return to cities and counties where collected.

Prior Law: From imposition in 1979 until July 1, 1982, all revenues were returned to the city or county of origin.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|--------|
| FY 2000 | \$ | 22,606 |
| FY 1999 | | 21,833 |
| FY 1998 | | 20,818 |
| FY 1997 | | 19,449 |
| FY 1996 | | 19,024 |

Bingo Tax

Enacted: Call Bingo: 1975; Instant Bingo: 1993; Bingo Face Excise: 2000.

Statutory Citation: KSA, Ch. 79, Art. 47.

Administration and Collection: Department of Revenue, Administrator of Charitable Gaming.

Collection Period: Monthly, tax must be remitted by call bingo operator or instant bingo distributor on or before the last day of the month for the prior month's collections.

Tax Base: Bingo faces sold or distributed by distributors to licensees; gross receipts from charges for admission to and participation in call bingo games using bingo "hard" cards; printed retail sales price of instant bingo cards.

Present Rates: \$0.002 on bingo faces; 3 percent on call bingo; 1 percent on instant bingo cards.

History of Tax Rates: Under 1975 law, call bingo rate was 2 percent with the revenue returned entirely to cities and counties in

which licensed bingo premises were located. In 1977, the call bingo rate was increased to 3 percent. Instant bingo was authorized and the 1 percent rate established in 1993. Legislation in 2000 changed the nature of the tax from gross receipts to an excise tax on bingo faces except when "hard" cards are used.

Disposition of Revenues: Two-thirds to State General Fund; one-third to State Bingo Regulations Fund (SBRF). Of the SBRF receipts, \$20,000 is earmarked for subsequent transfer to Problem Gambling Grant Fund. Unused moneys in SBRF required to be transferred to State General Fund at end of fiscal year. Distributors are required to remit only 98 percent of bingo face excise tax collections.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|-----|
| FY 2000 | \$ | 908 |
| FY 1999 | | 979 |

| | |
|---------|-------|
| FY 1998 | 958 |
| FY 1997 | 1,055 |
| FY 1996 | 1,053 |

Cigarette Tax

| | | | | |
|---|--|---|---|---|
| Enacted: 1927. | 1 | 9 | 3 | 3 |
| | 72 percent to State General Fund; 25 percent to counties and cities; 3 percent to Administration Fee Fund. | | | |
| Statutory Citation: KSA, Chapter 79, Article 33 | | | | |
| Administration and Collection: Department of Revenue, Division of Taxation | 1935 | 70 percent to State General Fund; 25 percent to counties and cities; 5 percent to Administration Fee Fund. | | |
| Collection Period: Tax paid upon purchase of tax stamps, or within 30 days after purchase in case of bonded wholesale dealers. Dealers receive a 2.65 percent discount on the face value of the stamps for expenses involved in affixing the stamps. | 1939 | 65 percent to State General Fund; 30 percent to counties and cities; 5 percent to Administration Fee Fund. | | |
| Tax Base: Amount of cigarettes sold or distributed. | 1943 | 20 percent to State General Fund; 75 percent to counties and cities; 5 percent to Administration Fee Fund. | | |
| Present Rate: 24 cents on each 20 cigarettes or fractional part thereof (or 30 cents on each 25 cigarettes), effective October 1, 1985. | 1947 | 15 percent to State General Fund; 50 percent to counties and cities; 32 percent to Retail Sales Tax Fund; 3 percent to Administration Fee Fund. | | |
| History of Tax Rates: 2-cent rate imposed in 1927; increased to 3 cents in 1947, to 4 cents in 1957, to 6 cents in 1964, to 8 cents in 1965, to 11 cents in 1970, to 16 cents in 1983, and to 24 cents in 1985. (The retail sales tax base was expanded in 1961 to also include cigarettes.) | 1957 | 38.5 percent to State General Fund; 37.5 percent to counties and cities; 24 percent to Retail Sales Tax Fund. | | |
| Disposition of Revenue: To State General Fund (effective January 1, 1979). | 1964 | 60 percent to State General Fund; 25 percent to counties and cities; 15 percent to Retail Sales Tax Fund. | | |
| History of Disposition of Revenue: | 1965 | 75 percent to State General Fund and 25 percent to counties and cities. | | |
| 1927 100 percent to State General Fund. | 1978 | Effective January 1, 1979, county and city sharing in the receipts from this tax was eliminated with the creation of the County and City | | |
| 1931 85 percent to State General Fund; 15 percent to counties and cities. | | | | |

| | | | |
|-------------------------|---------|----|--------|
| Revenue Sharing Fund. | FY 2000 | \$ | 49,125 |
| | FY 1999 | | 51,181 |
| Net Collections: | FY 1998 | | 52,095 |
| | FY 1997 | | 51,931 |
| | FY 1996 | | 52,359 |

(\$ in thousands)

Tobacco Products Tax

Enacted: First enactment 1969, effective June 1, 1969; held invalid by Shawnee County District Court because of defective title. Reenacted in 1972, effective July 1, 1972; second law held valid by courts.

Statutory Citation: KSA, Ch. 79, Art. 33.

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

Collection Period: Monthly, payment due on or before the 20th day for tobacco products brought into or produced in state for sale during preceding calendar month, less 4 percent retained by distributors as reimbursement for expenses.

Tax Base: Wholesale sales price.

Tax Rate: 10 percent.

Disposition of Revenues: To State General Fund.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|-------|
| FY 2000 | \$ | 3,773 |
| FY 1999 | | 3,369 |
| FY 1998 | | 3,269 |
| FY 1997 | | 3,103 |
| FY 1996 | | 2,925 |

Marijuana and Controlled Substance Taxes

Enacted: 1987.

Statutory Citation: KSA, Chapter 79, Article 52

Administration and Collection: Department of Revenue, Division of Taxation

Collection Period: Each "dealer" is responsible for paying the tax as soon as the marijuana or controlled substance is

acquired. Persons may purchase tax stamps from the Department of Revenue without revealing their identities.

Tax Base: Tax is imposed on "dealers" who in violation of Kansas law manufacture, produce, ship, transport, import, or possess more than 28 grams of marijuana, more than one gram of any controlled substance, or ten or more dosage units of any controlled substance not sold by weight.

Present Rates:

| | |
|---|----------------------------------|
| Marijuana | \$3.50 per gram |
| Wet Domestic Marijuana Plant | \$0.40 per gram |
| Dry Domestic Marijuana Plant | \$0.90 per gram |
| Controlled Substance | \$200 per gram |
| Controlled Substance Not Sold by Weight | \$2,000 per each 50 dosage units |

(**Note:** Taxes on wet and dry domestic marijuana plants were imposed in 1990.)

Dealers violating the act by failing to have affixed drug tax stamps are subject to a 100 percent penalty in addition to the a f o r e m e n t i o n e d r a t e s .

funds of county, city, and state agencies conducting the investigations.

Net Collections:

(\$ in thousands)

Disposition of Revenue: All receipts from the sale of tax stamps—to State General Fund. Collections from assessments of delinquent taxes and penalties are credited 25 percent to the State General Fund and 75 percent to special law enforcement trust

| | | |
|---------|----|-------|
| FY 2000 | \$ | 1,466 |
| FY 1999 | | 1,601 |
| FY 1998 | | 1,023 |
| FY 1997 | | 1,278 |
| FY 1996 | | 938 |

Motor Vehicle Rental Excise Tax

Enacted: 1991, imposed in lieu of motor vehicle tax.

car excise tax.

Statutory Citation: KSA 79-5117

Present Rate: 3.5 percent (the state and applicable local sales taxes also apply to rental car transactions).

Administration and Collection: Department of Revenue, Division of Taxation

Disposition of Revenue: All receipts are remitted twice annually to the county treasurers where the taxable transactions took place for subsequent distribution to all taxing units in the same manner as motor vehicle tax receipts.

Collection Period: Remitted along with retailers' sales tax.

Tax Base: Gross receipts received from the rental or lease for 28 days or less of motor vehicles which would otherwise be subject to the motor vehicle tax and are owned by a car rental company. The Department of Revenue has determined administratively that those groups and entities with sales tax exemptions also are exempt from the rental

Net Collections:

(\$ in thousands)

| | | |
|---------|----|-------|
| CY 1999 | \$ | 2,521 |
| CY 1998 | | 2,719 |
| CY 1997 | | 2,248 |

| | |
|---------|-------|
| CY 1996 | 2,098 |
| CY 1995 | 1,882 |

Drycleaning and Laundering Tax

Enacted: 1995.

Statutory Citation: KSA 2000 Supp. 65-34,150.

Administration and Collection: Department of Revenue, Department of Administration

Collection Period: Same as sales tax as provided by KSA 79-3607.

Tax Base: Gross receipts from sales of drycleaning or laundering services. The law provides that this tax is imposed on the same base as the state sales tax, effectively exempting all purchases not subject to the sales tax (including coin-operated laundry services). An additional exemption is provided for laundering without use of drycleaning solvents of uniforms, linens or other textiles for commercial purposes, including any rental of uniforms, linens or dust control materials.

Present Rate: 2.5 percent, effective July 1, 1999. Tax is in addition to all other applicable state and local sales or excise taxes. Tax sunsets on any given July 1 upon a finding of the Director of Accounts and Reports that the unobligated principal balance of the Drycleaning Facility Release

Trust Fund (DFRTF) exceeds \$6 million as of April 1. The tax would be automatically reimposed on July 1 of any subsequent year upon a similar finding that the unobligated principal balance of the DFRTF is \$4 million or less as of April 1.

History of Tax Rate: 2 percent from enactment of tax on July 1, 1995 until increased to 2.5 percent by 1999 legislation.

Disposition of Revenue: Receipts are deposited in the DFRTF, along with various fees imposed on the acquisition of drycleaning solvents by owners of drycleaning facilities.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|-------|
| FY 2000 | \$ | 1,241 |
| FY 1999 | | 1,058 |
| FY 1998 | | 969 |
| FY 1997 | | 1,005 |
| FY 1996 | | 901 |

GROSS RECEIPTS TAXES

Insurance Premiums Tax – Foreign Companies

Enacted: 1871.

Statutory Citation: KSA, Ch. 40, Art. 2.

Administration and Collection: Insurance Commissioner.

Collection Period: Annual; tax computation is based on companies' annual statement, which is due within 60 days of January 1. Beginning in 1985, semi-annual payments of estimated tax, based on prior year's liability, are due each June 15 and December 15.

Tax Base: Gross premiums collected from business done in Kansas during preceding calendar year. Annuity contracts were exempted from the tax base in 1997.

Present Rate: 2 percent, or retaliatory tax if company is organized under the laws of state which imposes a higher rate on Kansas companies.

Credits: Among the credits that may be claimed are credits for a portion of firefighters' relief and fire marshal taxes; credits equivalent to 30 percent of salaries paid to Kansas employees (but such credits may not reduce the tax by more than 1.25 percent of taxable premiums); and credits to the extent of 15 percent of property taxes paid on business machinery and equipment.

Excess Lines Insurance: A premiums tax is also imposed on excess lines insurance coverage, that is, fire or casualty insurance written by a company not authorized to do business in Kansas. The tax rate is 6 percent (increased from 2 percent in 1982 and from 4 percent in 1992) of the premiums from such coverage for the preceding calendar year, and is due by March 1 from each insurance agent who writes such coverage.

Disposition of Revenue: After certain small amounts are set aside for various administrative, examination and refund funds (up to \$28,000 for Insurance Company Annuals Statement Examination Fund; up to \$40,000 for Insurance Company Examiner Training Fund; and up to \$3,000 for Insurance Company Tax and Fee Refund Fund), 99 percent to SGF and 1 percent to Insurance Department Service Regulation Fund.

Net Collections:

(\$ in thousands)

| | |
|---------|-----------|
| FY 2000 | \$ 49,914 |
| FY 1999 | 59,809 |
| FY 1998 | 77,632 |
| FY 1997 | 71,560 |
| FY 1996 | 80,720 |

Insurance Premiums Tax—Domestic Companies

Enacted: 1970, effective July 1, 1970.

Statutory Citation: KSA, Ch. 40, Art. 2.

Administration and Collection:
Insurance Commissioner.

Collection Period: Same as foreign companies.

Tax Base: Gross premiums collected from business done in Kansas in preceding calendar year, excluding premiums received in connection with the funding of qualified pension, deferred compensation, or profit-sharing plans. The tax also applies to nonprofit health care related service corporations, risk retention and risk purchasing groups, and captive insurance companies (including aircraft captives). Exemptions are provided for fraternal benefit societies, small employer health benefit plans, premiums written pursuant to the Small Employer Reinsurance Program, policies providing death or disability benefits sold to the KPERS Board of Trustees, and self-insured companies exempt from state law under the federal ERISA preemption. Funds received by life insurers for annuity contracts were exempted by 1997 legislation.

Though not directly subject to the premiums tax provisions of KSA 40-252, a separate premiums tax is imposed on the following entities: certain multiple-employer association trusts otherwise exempt from state insurance regulation to KSA 40-2222; group-funded workers' compensation pools pursuant to KSA 44-588; and municipal group-funded insurance pools pursuant to KSA 12-2624.

Present Rate: 2 percent, less credits for firefighters' relief and fire marshal taxes paid. Credits may also be claimed for 60 percent of assessments made by the Kansas Health Insurance Association. Other credits include up to 90 percent of premium tax liability for retaliatory taxes paid to other states as a result of Kansas fees assessed and deposited in the Insurance Department Service Regulation Fund; credits equivalent to 30 percent of salaries paid to Kansas employees (limited to tax reduction of 1.25 percent of taxable premiums); and credits to the extent of 15 percent of property taxes paid on business machinery and equipment.

Disposition of Revenue: After certain small amounts are set aside for various administrative, examination and refund funds (up to \$28,000 for Insurance Company Annuals Statement Examination Fund; up to \$40,000 for Insurance Company Examiner Training Fund; and up to \$3,000 for Insurance Company Tax and Fee Refund Fund), 99 percent to SGF and 1 percent to Insurance Department Service Regulation Fund.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|--------|
| FY 2000 | \$ | 8,862 |
| FY 1999 | | 6,440 |
| FY 1998 | | 10,425 |
| FY 1997 | | 9,910 |
| FY 1996 | | 9,100 |

Insurance Premiums Tax—Firefighters' Relief

Enacted: 1895.

Statutory Citation: KSA, CH. 40, Art. 17.

Administration and Collection:
Insurance Commissioner.

Collection Period. Annual; tax is due on or before April 1.

Tax Base: Amount of fire or lightning insurance written during preceding calendar year in Kansas.

Present Rate: 2 percent of such insurance premiums.

History of Tax Rates: 1895 law established the 2 percent rate.

Major Changes in Tax Base: 1957 Legislature repealed former exemption of Kansas companies from the tax, but the tax was later made deductible from the domestic insurance companies' premiums tax. 1984 law expanded the base from cities, counties, townships, and fire districts with organized fire departments

with firefighting equipment valued at a minimum value and organized firefighters' relief associations, to all of Kansas.

Disposition of Revenue. After amounts appropriated from the fund for administration of the Firefighters' Relief Act; 3 percent to the Kansas State Firefighters' Association for education and study; 5 percent to the Kansas State Firefighters' Association for a death benefit fund (but limited to the amount necessary to replenish the fund to \$100,000); and balance to the firemen's relief associations of cities, counties, townships, or fire districts.

Net Collections:

(\$ in thousands)

| | |
|---------|----------|
| FY 2000 | \$ 5,213 |
| FY 1999 | 5,545 |
| FY 1998 | 5,149 |
| FY 1997 | 5,057 |
| FY 1996 | 4,630 |

Insurance Premiums Tax—Fire Marshal

Enacted: 1913.

Statutory Citation: KSA, CH. 75, Art. 15.

Administration and Collection.
Insurance Commissioner.

Collection Period: Same as foreign companies.

Tax Base: Gross premiums collected by fire insurance companies from all fire insurance business transacted in Kansas during preceding year.

Present Rate: Levy is determined by Fire Marshal, but may not exceed 1.25 percent. Current rate of 1.25 percent has been in place since 1999.

History of Maximum Tax Rates:

| | |
|----------|--------|
| 1913 law | 0.375% |
| 1917 law | 0.500 |
| 1957 law | 0.750 |
| 1983 law | 1.250 |

Disposition of Revenue: 20 percent (not to exceed \$200,000) deposited in State General Fund and the remainder deposited in the Fire Marshal Fee Fund.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|-------|
| FY 2000 | \$ | 3,642 |
| FY 1999 | | 3,680 |
| FY 1998 | | 2,378 |
| FY 1997 | | 3,079 |
| FY 1996 | | 2,953 |

Private Car Companies Tax

Enacted: 1911.

Statutory Citation: KSA, Ch. 79, Art. 9.

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

Collection Period: Annual; railroad companies using or leasing private cars withhold the tax from payments they make there to the private care companies and remit the tax on or before March 1.

Tax Base: Gross earnings from operation of private cars (passenger, sleeping, refrigerator, tank, etc.), in Kansas during the preceding calendar year; tax in lieu of property tax.

Present Rate: 2.5 percent.

History of Tax Rates: The rate was established as the average of all local property tax levies in 1911; present 2.5 percent rate was enacted in 1937.

Disposition of Revenue: To State General Fund.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|-----|
| FY 2000 | \$ | 866 |
| FY 1999 | | 881 |
| FY 1998 | | 873 |
| FY 1997 | | 900 |
| FY 1996 | | 866 |

Musical and Dramatic Composition Tax

Enacted: 1939.

Statutory Citation: KSA, Ch. 57, Art. 2.

Administration and Collections: State Treasurer.

Collection Period: Annual, on or before March 15.

Tax Base: Privilege of selling, licensing, or otherwise disposing of performing rights (public performances for profit) in musical and dramatic-musical compositions, gross receipts therefrom during the preceding year.

Present Rate: 3 percent.

History of Tax Rates: No change since tax enacted.

Disposition of Revenue: To State General Fund.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|----|
| FY 2000 | \$ | 18 |
| FY 1999 | | 15 |
| FY 1998 | | 20 |
| FY 1997 | | 25 |
| FY 1996 | | 25 |

Parimutuel

Enacted: 1987; following approval in 1986 of a constitutional amendment (Art. 15, Sec. 3b) authorizing horse and dog racing and parimutuel wagering thereon.

Statutory Citation: KSA, Ch. 74, Art. 88.

Administration and Collection: State Racing Commission.

Collection Period: Daily, on day following the day of wagering or collection of admissions.

Tax Base

Wagers: The tax base for wagers is takeout. Takeout is 18-22 percent of each parimutuel pool which is withheld for payment of purses, taxes and the share to be kept by the organization licensee.

Takeout does not include "breakage", which is the odd cents by which the amount payable on each dollar wagered exceeds a multiple of \$ 0.10.

Admissions: Amount paid for admission plus value of complimentary admissions, excluding taxes paid thereon; for property-tax exempt racetracks, number of admissions.

Present Rate

Wagers:

Live Horse Races. 3/18 of the total daily takeout from parimutuel pools for live horses.

- **Live Greyhound Races at a Greyhound Racetrack.** During the first four years of parimutuel wagering at the facility the tax is 3/18 of the total daily takeout from parimutuel pools. After the first four years of parimutuel wagering at the facility, the tax is 3/18 of the first \$400,000 wagered; 4/18 of the next \$200,000 wagered and 5/18 of any amounts wagered exceeding \$600,000.
- **Live Greyhound Races at a Dual Racetrack Facility.** During the first seven years of parimutuel racing at the facility, the tax is 3/18 of the total daily takeout from parimutuel pools for live greyhound races. After seven years, the tax is 3/18 of the first \$600,000 wagered, 4/18 of the next \$200,000 wagered and 5/18 of any amounts wagered exceeding \$800,000.
- **Simulcast Races.** 3/18 of the total daily takeout from amounts wagered.
- **Limitations.** The Kansas Constitution and statutes limit the tax imposed to not less than 3 percent nor more than 6 percent of the total money wagered each day at a racetrack facility.

(Note: The Kansas Constitution requires that the parimutuel tax cannot be less than 3 percent, nor more than 6 percent of the total amount wagered. The

Parimutuel Racing Act requires that the parimutuel tax be no less than 3 percent nor more than 6 percent of the total amount wagered each day.)

Admissions: 10 percent of amount received for admissions, excluding taxes, plus the value of free or complementary passes. An additional tax of \$.20 per admission applies at racetracks which are exempt from local ad valorem property taxes.

Disposition of Revenue:

Tax on Wagering and 10 Percent Tax on Admissions: To State Racing Fund.

\$.20 Tax on Admissions: To Local Racing Admissions Tax Fund.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|-------|
| FY 2000 | \$ | 4,239 |
| FY 1999 | | 4,118 |
| FY 1998 | | 4,032 |
| FY 1997 | | 4,090 |
| FY 1996 | | 5,232 |

PAYROLL TAX

Unemployment Compensation Tax

Enacted: 1937.

Statutory Citation: KSA, Ch. 44, Art. 7

Administration and Collection: Department of Human Resources, Division of Employment Security.

Collection Period: Quarterly – reports are due by the last day of the month following the close of each calendar quarter to which they are related.

Coverage: The law covers both public and private employment. Exemptions exclude a limited number of types of employers from coverage:

1. Employing units which did not in either the current or preceding calendar year pay for service in employment wages of \$1,500 or more, or did not in each of 20 different calendar weeks in either the current or preceding calendar year employ at least one individual;
2. Agricultural labor employers who did not during any calendar quarter in the current or preceding year pay wages of \$20,000 or more to workers or who did not employ ten or more workers for some portion of a day in 20 calendar weeks in either the current or preceding calendar year;
3. Employers for domestic services which did not pay cash remuneration of \$1,000 or more in any calendar quarter in the current or preceding calendar year; and

4. Employers exempt from income tax under section 501(a) of the Federal Internal Revenue Code who did not have four or more persons in employment for some portion of a day in each of 20 different weeks in the current of preceding calendar year.

In addition, several specific types of services are excluded from the definition of the term “employment” under this law.

Taxable Wage Base: Taxable wages paid by employers subject to the act; taxes currently applicable to the first \$8,000 of annual earnings paid each employee. A history of the taxable wage base is listed below:

| Calendar Year | Tax Base |
|------------------|-------------|
| 1937-1939 | Total Wages |
| 1940-1971 | \$3,000 |
| 1972-1977 | 4,200 |
| 1978-1982 | 6,000 |
| 1983 | 7,000 |
| 1984-Present | 8,000 |

Contribution Rates: Basic contribution rates range from less than 1.0 percent to 5.4 percent. Rates for individual employers are determined by an experience-rating formula under which eligible employers with sufficiently favorable experience qualify for rates below the maximum. In addition, the law requires negative account balance employers to pay a surcharge ranging from 0.2 percent to 2.0 percent, depending upon the size of the employer’s negative reserve ratio.

1995-1999 Moratorium: A moratorium originally enacted in 1995 and later extended through rate year 1999 set the contributions rate for positive account balance employers at 0 percent. New provisions enacted in 1999 provided for a new schedule of reserve fund ratios to total wages (schedule IIIA) for rate years 2000, 2001, and 2002. (See KSA 44-710a.) The Secretary of Human Resources is required to report to the Legislature or Legislative Coordinating Council on January 15 and July 15 of each of those years on the adequacy of the Unemployment Trust Fund and make recommendations for further legislative adjustments to the rates.

Disposition of Revenue: Collections, other than penalties and interest, are deposited in the Unemployment Trust Fund account of the Employment Security Fund, which is maintained by the Secretary of the United States Treasury under Section 903 of the

Social Security Act. Except for the Reed Act funds, withdrawals from the Unemployment Trust Fund account are permitted only for the payment of unemployment compensation benefits; withdrawals are not permitted for administrative purposes. Penalties and interest collected are deposited in the Special Employment Security Fund.

Net Collections:

(\$ in thousands)

| | |
|---------|------------|
| FY 2000 | \$ 107,655 |
| FY 1999 | 47,848 |
| FY 1998 | 43,229 |
| FY 1997 | 39,229 |
| FY 1996 | 41,031 |

Note: Collections decreased due to a moratorium enacted for rate years 1995 through 1999.

LOCAL TAXES

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 Inventory | 20.0% ^(f) | 25.0% ^(f) |
| 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 Name | 1999 | 1999 | 1999 | 1998 | 1998 | 1998 |
|-------------|------------|---------|---------|------------|---------|---------|
| | Countywide | Urban | Rural | Countywide | Urban | Rural |
| Allen | 118.829 | 133.366 | 107.309 | 115.803 | 131.297 | 103.947 |
| Anderson | 110.127 | 132.372 | 101.184 | 112.157 | 135.045 | 102.992 |
| Atchison | 120.647 | 145.081 | 90.607 | 119.771 | 145.092 | 89.646 |
| Barber | 128.103 | 149.660 | 120.687 | 119.010 | 142.730 | 111.596 |
| Barton | 149.376 | 161.795 | 133.483 | 145.654 | 160.190 | 128.620 |
| Bourbon | 129.123 | 145.290 | 112.590 | 117.940 | 132.929 | 102.479 |
| Brown | 109.900 | 121.526 | 102.656 | 108.303 | 121.613 | 99.871 |
| Butler | 125.003 | 137.158 | 112.983 | 115.439 | 128.150 | 103.578 |
| Chase | 101.966 | 141.103 | 95.494 | 105.264 | 144.361 | 99.081 |
| Chautauqua | 114.886 | 142.495 | 106.976 | 109.430 | 130.366 | 103.540 |
| Cherokee | 79.521 | 92.996 | 70.580 | 75.280 | 88.824 | 66.526 |
| Cheyenne | 71.286 | 89.393 | 65.874 | 76.402 | 94.312 | 70.818 |
| Clark | 138.985 | 168.935 | 133.155 | 126.783 | 150.907 | 122.458 |
| Clay | 130.381 | 142.073 | 122.137 | 122.869 | 132.759 | 116.123 |
| Cloud | 144.487 | 169.387 | 125.831 | 140.697 | 162.572 | 123.606 |
| Coffey | 56.574 | 84.800 | 55.469 | 56.235 | 83.030 | 55.225 |
| Comanche | 135.594 | 189.921 | 124.459 | 118.151 | 173.562 | 108.370 |
| Cowley | 136.085 | 153.001 | 115.221 | 133.563 | 151.680 | 112.809 |
| Crawford | 95.615 | 105.732 | 73.425 | 93.260 | 102.702 | 73.238 |
| Decatur | 119.804 | 135.503 | 114.236 | 119.913 | 129.144 | 116.603 |
| Dickinson | 99.923 | 109.401 | 91.402 | 93.755 | 102.285 | 86.322 |

| County Name | 1999 | 1999 | 1999 | 1998 | 1998 | 1998 |
|-------------|------------|---------|---------|------------|---------|---------|
| | Countywide | Urban | Rural | Countywide | Urban | Rural |
| Doniphan | 96.672 | 110.838 | 86.522 | 97.092 | 107.328 | 89.533 |
| Douglas | 100.333 | 102.946 | 90.198 | 94.809 | 96.486 | 88.296 |
| Edwards | 120.800 | 164.115 | 108.840 | 115.039 | 156.450 | 104.207 |
| Elk | 120.083 | 157.920 | 110.298 | 106.297 | 143.336 | 97.054 |
| Ellis | 109.439 | 117.617 | 85.820 | 104.554 | 113.897 | 83.153 |
| Ellsworth | 135.157 | 176.539 | 122.298 | 122.520 | 154.395 | 113.254 |
| Finney | 106.736 | 127.122 | 95.610 | 95.452 | 117.314 | 85.774 |
| Ford | 139.985 | 149.406 | 126.213 | 131.564 | 140.897 | 117.920 |
| Franklin | 116.987 | 140.290 | 96.881 | 110.967 | 133.873 | 91.959 |
| Geary | 128.252 | 141.155 | 89.747 | 124.826 | 137.914 | 86.086 |
| Gove | 98.188 | 118.164 | 91.490 | 100.067 | 127.582 | 92.414 |
| Graham | 139.105 | 163.901 | 130.230 | 134.352 | 163.840 | 125.516 |
| Grant | 71.489 | 105.653 | 67.802 | 65.022 | 95.448 | 62.467 |
| Gray | 105.442 | 118.720 | 99.843 | 103.314 | 115.705 | 98.153 |
| Greeley | 132.751 | 181.994 | 124.264 | 117.981 | 168.895 | 110.470 |
| Greenwood | 114.471 | 139.071 | 106.239 | 111.593 | 136.434 | 103.546 |
| Hamilton | 136.138 | 153.050 | 133.704 | 108.973 | 126.699 | 106.828 |
| Harper | 142.456 | 190.264 | 121.866 | 128.691 | 172.852 | 111.687 |
| Harvey | 114.812 | 125.922 | 91.418 | 114.258 | 125.409 | 90.841 |
| Haskell | 78.826 | 115.476 | 75.850 | 66.578 | 106.418 | 64.069 |
| Hodgeman | 145.197 | 164.047 | 141.255 | 143.763 | 162.631 | 140.325 |
| Jackson | 104.203 | 126.702 | 94.198 | 102.324 | 118.971 | 94.741 |
| Jefferson | 119.510 | 138.581 | 112.882 | 114.970 | 132.992 | 108.691 |
| Jewell | 125.730 | 147.689 | 121.736 | 117.344 | 135.198 | 113.952 |
| Johnson | 102.417 | 102.238 | 106.511 | 103.597 | 103.440 | 107.254 |
| Kearny | 72.294 | 115.997 | 70.107 | 60.992 | 105.788 | 59.277 |
| Kingman | 110.195 | 127.981 | 103.725 | 101.717 | 122.147 | 94.866 |
| Kiowa | 103.290 | 135.092 | 96.843 | 101.154 | 132.578 | 95.455 |
| Labette | 127.603 | 146.119 | 104.482 | 117.477 | 134.247 | 96.894 |
| Lane | 160.531 | 203.310 | 150.323 | 139.317 | 183.478 | 129.694 |
| Leavenworth | 109.470 | 121.787 | 89.050 | 102.185 | 114.123 | 82.144 |
| Lincoln | 141.666 | 168.014 | 134.947 | 132.729 | 153.075 | 127.266 |
| Linn | 80.562 | 107.008 | 77.510 | 74.077 | 105.957 | 71.421 |
| Logan | 101.673 | 123.663 | 91.421 | 98.759 | 121.206 | 89.811 |
| Lyon | 117.478 | 127.315 | 96.932 | 110.850 | 121.583 | 89.089 |
| Marion | 119.989 | 146.139 | 105.437 | 109.141 | 136.155 | 94.194 |
| Marshall | 115.916 | 136.486 | 104.077 | 107.587 | 130.450 | 96.588 |
| McPherson | 107.723 | 121.519 | 94.690 | 105.992 | 123.019 | 90.991 |
| Meade | 98.944 | 145.679 | 91.901 | 91.671 | 140.469 | 84.769 |
| Miami | 109.231 | 131.517 | 99.739 | 106.083 | 130.108 | 96.455 |
| Mitchell | 116.283 | 130.392 | 104.062 | 113.931 | 128.194 | 101.448 |
| Montgomery | 132.549 | 147.889 | 115.252 | 132.089 | 148.616 | 114.644 |
| Morris | 95.779 | 115.898 | 87.008 | 93.401 | 110.002 | 86.250 |
| Morton | 85.893 | 131.196 | 81.681 | 72.732 | 117.636 | 69.628 |
| Nemaha | 103.365 | 111.321 | 97.728 | 100.278 | 108.831 | 94.283 |
| Neosho | 133.756 | 144.842 | 118.430 | 128.463 | 139.451 | 113.537 |
| Ness | 141.609 | 176.574 | 130.735 | 125.150 | 164.905 | 115.181 |
| Norton | 137.597 | 163.420 | 120.583 | 141.252 | 166.936 | 124.157 |
| Osage | 95.884 | 103.755 | 91.352 | 84.538 | 88.241 | 82.395 |
| Osborne | 125.106 | 158.462 | 109.340 | 119.153 | 152.735 | 104.295 |
| Ottawa | 118.407 | 135.409 | 112.325 | 112.371 | 137.894 | 103.629 |
| Pawnee | 144.756 | 181.180 | 127.881 | 139.460 | 177.826 | 122.333 |
| Phillips | 124.603 | 153.960 | 110.073 | 122.525 | 153.402 | 107.646 |

| County Name | 1999 | 1999 | 1999 | 1998 | 1998 | 1998 |
|----------------------|----------------|----------------|---------------|----------------|----------------|---------------|
| | Countywide | Urban | Rural | Countywide | Urban | Rural |
| Pottawatomie | 73.902 | 108.498 | 67.601 | 73.953 | 101.978 | 68.876 |
| Pratt | 140.957 | 166.375 | 126.408 | 127.387 | 151.420 | 114.302 |
| Rawlins | 123.164 | 149.848 | 116.787 | 119.137 | 144.610 | 113.220 |
| Reno | 123.274 | 129.162 | 115.221 | 121.162 | 129.322 | 110.119 |
| Republic | 127.096 | 163.077 | 113.079 | 123.374 | 158.783 | 109.588 |
| Rice | 122.629 | 141.259 | 115.509 | 117.801 | 135.725 | 111.475 |
| Riley | 115.556 | 121.615 | 92.243 | 111.950 | 118.007 | 87.740 |
| Rooks | 148.183 | 184.518 | 127.855 | 147.690 | 189.187 | 128.885 |
| Rush | 142.712 | 170.708 | 129.954 | 134.563 | 164.209 | 122.641 |
| Russell | 149.830 | 154.109 | 145.928 | 137.296 | 144.746 | 132.153 |
| Saline | 99.828 | 110.403 | 67.160 | 80.933 | 89.119 | 55.019 |
| Scott | 96.378 | 140.543 | 77.768 | 88.892 | 120.416 | 75.999 |
| Sedgwick | 100.231 | 100.731 | 97.840 | 99.546 | 100.607 | 94.985 |
| Seward | 105.812 | 118.805 | 94.323 | 103.001 | 117.174 | 93.152 |
| Shawnee | 126.170 | 133.828 | 106.635 | 133.409 | 145.180 | 103.411 |
| Sheridan | 119.431 | 151.128 | 111.173 | 122.862 | 156.242 | 113.991 |
| Sherman | 110.192 | 133.819 | 93.672 | 105.606 | 129.526 | 89.036 |
| Smith | 121.622 | 159.227 | 107.210 | 115.837 | 151.936 | 102.029 |
| Stafford | 138.214 | 165.700 | 132.219 | 128.995 | 157.560 | 123.421 |
| Stanton | 92.989 | 131.190 | 90.005 | 80.846 | 112.789 | 78.903 |
| Stevens | 58.133 | 89.868 | 56.689 | 52.001 | 79.684 | 51.069 |
| Sumner | 127.334 | 140.644 | 116.956 | 124.724 | 138.151 | 114.759 |
| Thomas | 117.562 | 127.382 | 108.313 | 115.501 | 126.263 | 106.337 |
| Trego | 129.700 | 167.573 | 114.896 | 132.469 | 176.882 | 117.844 |
| Wabaunsee | 99.635 | 105.510 | 98.130 | 93.395 | 96.336 | 92.637 |
| Wallace | 103.028 | 132.932 | 97.341 | 95.651 | 123.390 | 90.994 |
| Washington | 125.401 | 144.790 | 120.860 | 121.231 | 138.461 | 117.122 |
| Wichita | 124.573 | 165.448 | 113.740 | 117.824 | 151.619 | 109.023 |
| Wilson | 114.480 | 136.187 | 103.670 | 109.958 | 128.915 | 100.805 |
| Woodson | 116.220 | 152.309 | 105.689 | 107.240 | 143.121 | 97.065 |
| Wyandotte | 151.173 | 151.211 | 102.677 | 151.906 | 151.950 | 103.008 |
| Statewide Avg | 107.382 | 115.180 | 93.607 | 104.223 | 114.623 | 87.956 |

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 1999 | \$ 2,182,556 |
| CY 1998 | 2,029,631 |
| CY 1997 | 1,943,184 |
| CY 1996 | 1,952,315 |
| CY 1995 | 1,907,492 |

* Includes certain payments in lieu of tangible property tax. CY 1999 taxes levied for collection in FY 2000.

Tangible Property Taxes Levied, by Type of Local Unit, for CY 1999:

| (\$ in thousands) | Amount (000) | Percent of Total |
|-------------------|---------------------------|---------------------|
| Schools | \$ 959,305 ^(a) | 43.95% |
| Counties | 634,595 | 29.08 |
| Cities | 432,523 | 19.82 |
| Special Districts | 118,446 | 5.43 |
| Townships | 37,687 | 1.73 |
| TOTAL | \$ 2,182,556 | 100.00% |

a) Includes levies for school districts, community colleges, and municipal universities.

Homestead Property Tax Refund: In 1970, a system of income tax credits or refunds was established for low-income homeowners who were age 65 or older or disabled (KSA Ch. 79, Art. 45). The current program, which has been modified several times since then, authorizes direct refunds of or credits against property tax for low-income homeowners or renters who are age 55 or older, disabled, or who

have dependent children under age 18. Renters may claim as property tax paid 20 percent of rent paid for occupancy. The maximum property tax that may be counted in determining the refund is \$600, and the maximum income that can qualify for some benefit is \$25,000.

Reappraisal Circuit Breaker: A circuit breaker program is available for single-family owner-occupied residential property which experiences a valuation increase of 75 percent or more from one year to the next, provided the increase is not attributable to improvements. (See KSA 79-4530).

Low-Production Oil Lease Circuit Breaker: Another program provides refunds of a portion of property taxes paid on the working interest of certain low-production oil leases when the price per barrel of oil has been at \$16 or below.

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.

Ad Valorem Taxes by Class of Property (a)

| | Tax Year 1991 | Percent of Total | Tax Year 1999 | Percent of Total |
|---|-------------------------|---------------------|-------------------------|---------------------|
| Total Real | \$ 1,332,713,087 | 72.72% | \$ 1,513,967,256 | 71.76% |
| Total Personal | 258,966,644 | 14.13 | 311,365,112 | 14.76 |
| State Assessed | 240,974,214 | 13.15 | 284,340,690 | 13.48 |
| TOTAL | \$ 1,832,653,945 | 100.00% | \$ 2,109,673,058 | 100.00% |
| Exhibit: | | | | |
| Residential Real | \$ 690,982,069 | 37.70% | \$ 878,323,814 | 41.63% |
| Commercial and Industrial Real | 443,669,655 | 24.21 | 453,561,491 | 21.50 |
| Agricultural Land (Real) | 162,878,956 | 8.89 | 144,149,817 | 6.83 |
| Mineral Leasehold (Personal) | 111,211,319 | 6.07 | 76,319,759 | 3.62 |
| Commercial and Industrial Machinery and Equipment (Personal) | 111,385,312 | 6.08 | 199,811,307 (b) | 9.47 |

a) Data are exclusive of payments-in-lieu-of taxes.

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

Motor Vehicle Tax

Enacted: 1979.

Statutory Citation: KSA, Ch. 79, Art. 51.

Administration and Collection: Department of Revenue, Division of Vehicles, County Treasurers, County Appraisers.

Collection Period: Tax paid prior to registration of most vehicles. (KAR 92-51-21 provides the staggered alphabetical registration system.) Vehicles weighing between 12,001 and 20,000 pounds pay taxes at the same time as personal property taxes (December 20 and June 20). Vehicles are placed in value classes specified in KSA 79-5104. Tax is calculated based on the midpoint of the value class, depreciated 15 percent per year. The minimum tax is \$12 for motorcycles and \$24 for other vehicles. Tax is in lieu of the annual general property tax.

Tax Rate: County average tax rate for the second preceding tax year, adjusted to exclude school district general fund levies, is applied to 20 percent of the depreciated value of the midpoint of the vehicle's value, prorated for the number of months of each calendar year within the registration year.

1995 Law Changes: A package of motor vehicle tax amendments enacted in 1995 reduced the assessment from 30 to 20 percent over five years (28.5 percent in

1996; 26.5 percent in 1997; 24.5 percent in 1998; 22.5 percent in 1999; 20 percent in 2000 and thereafter); eliminated over the same five-year period school district general funds from the computation of the county average tax rate, effectively preventing such funds from receiving motor vehicle taxes beginning in 2000; increased the minimum tax provisions; and changed the depreciation rate from 16 to 15 percent beginning in 1996.

Disposition of Revenues: To property tax levying entities and subdivisions in proportion to the number of mills levied in the taxpayer's tax levy unit, except that school district general funds receive no revenue.

Net Collections:

(\$ in thousands)

| | |
|---------|----------------|
| CY 1999 | \$ 255,734 (a) |
| CY 1998 | 277,115 (b) |
| CY 1997 | 291,126 |
| CY 1996 | 301,900 |
| CY 1995 | 292,182 |

a) Includes \$4.352 million of collections from vehicles weighing between 12,001 and 20,000 pounds.

b) Includes \$4.688 million of collections from vehicles weighing between 12,001 and 20,000 pounds.

Recreational Vehicle Tax

Enacted: 1994, effective January 1, 1995. (Separate tax treatment of these vehicles was authorized by a 1992 amendment to the *Kansas Constitution*.)

History of Tax Rate: The provision allowing vehicles with model years 1981 and earlier to pay only \$30 was added by 1995 legislation and was effective beginning January 1, 1996.

Statutory Citation: KSA 79-5118 *et seq.*

Administration and Collection: Department of Revenue, Division of Vehicles, County Treasurers.

Disposition of Revenue: To property tax levying entities and subdivisions in the same manner as motor vehicle taxes.

Collection Period: Tax paid prior to registration of vehicles.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|-------|
| CY 1999 | \$ | 2,986 |
| CY 1998 | | 2,769 |
| CY 1997 | | 2,651 |
| CY 1996 | | 2,508 |
| CY 1995 | | 3,273 |

Tax Base: Vehicles “designed primarily as living quarters for recreational, camping, vacation or travel use.” (Prior to January 1, 1995, motorized recreational vehicles had been subject to the motor vehicle tax pursuant to KSA 79-5101 *et seq.*, while pull-trailers and other types of recreational vehicles had been assessed as personal property pursuant to Chapter 79, Article 3.)

Tax Rate: Liability is based upon the age and weight of the vehicles.

| Age of Vehicle | Base Amount | | Weight Factor (For Each 100 Lbs.) |
|-------------------------------|-------------|------|--------------------------------------|
| 0-5 years | \$70 | plus | 0.90 cwt |
| 6-10 years | \$50 | plus | 0.70 cwt |
| 11 + years | \$30 | plus | 0.50 cwt |
| Model Year 1981 or earlier | \$30 | - | - |

Mortgage Registration Tax

Enacted: 1915; tax held unconstitutional in 1915; re-enacted in 1925 following 1924 constitutional amendment authorizing classification of certain property, including mortgage (Art. 11, Sec. 1).

Statutory Citation: KSA, Ch. 79, Art. 31.

Administration and Collection: County register of deeds.

Collection Period: Tax due when mortgage filed for recording.

Tax Base: Principal debt or obligation secured by a mortgage on real property, or renewal or extension thereof.

Present Rate: 0.26 percent.

History of Tax Rates: Original 1915 law—15 cents per \$100, with a limit of \$5,000 on the tax obligation; 1925 law—25

cents per \$100, no limitation on tax; 1990 law—26 cents per \$100, no limitation on tax; 1994 law—technical change to 0.26 percent.

Disposition of Revenues: Revenue from 1 cent of each 26 cents collected of the tax (but not more than \$100,000 per year in any county) to Heritage Trust Fund; balance to county general funds.

Net Collections:

(\$ in thousands)

| | State | County | Total |
|---------|--------|-----------|-----------|
| FY 2000 | \$ 771 | \$ 35,463 | \$ 36,234 |
| FY 1999 | 849 | 36,410 | 37,259 |
| FY 1998 | 729 | 25,021 | 25,750 |
| FY 1997 | 599 | 22,321 | 22,920 |
| FY 1996 | 596 | 17,710 | 18,306 |

Local Sales Tax

Enacted: Authority for cities and counties to levy local sales taxes was enacted in 1970. Authority for Washburn University was enacted in 1999.

Statutory Citation: KSA, Ch. 12, Art. 1.

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

Collection Period: Same as state sales 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. Also, sales by licensees of bingo cards, bingo faces, and instant bingo tickets are exempt from local sales taxes as of July 1, 2000. (Such sales will not be exempt from the state sales tax until July 1, 2002.)

Present Authorized Tax Rates: Cities and 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.” A city may impose a tax earmarked for health care only if the county has no such tax. Moreover, any such city tax expires immediately upon the imposition of a county health care sales tax. 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 local sales tax, and a statement describing the purposes for which the taxes will be used must be part of the ballot proposition.

Prior to the enactment of the health care sales tax authority in 1992, the normal maximum rate was 1.0 percent for cities and counties. Exceptions from the normal maximum rate have been enacted for the following jurisdictions:

SPECIAL RATE PROVISIONS

| Local Units | Maximum Additional Authority | Earmarking and Other Restrictions |
|---|------------------------------------|---|
| Jackson | 1.0 | County's share earmarked exclusively for Banner Creek Reservoir Project; required to sunset after five years |
| Washburn University | 0.65 | Authority to impose tax throughout Shawnee County earmarked for Washburn mill levy reduction |
| Barton, Jefferson, and Ottawa Atchison | 1.0 0.75 | Earmarked for courthouse, jail, law enforcement, or county administrative facility; not shared with cities; sunsets when all financing costs are paid |
| Wyandotte, Saline, Crawford, Seward, Ford, Osage, and Cherokee | 0.5 | |
| Wabaunsee | 0.25 | |
| All Counties | 0.10 | Earmarked for stormwater management; not shared with cities; had to be imposed prior to end of 1990; Subject to protest petition and not mandatory election |
| Johnson and other counties within 60 miles | 0.25 | Earmarked for Kansas and Missouri Metropolitan Culture District Compact Fund if Compact becomes effective; Johnson County must participate for Compact to become effective. |
| Miami | 1.0 | Roadway construction and improvement |
| Dickinson and Clay | 0.5 | |
| Cities in Ellis, Finney, Lyon, Reno, Osage, Cowley, Ellsworth, Labette, Harper, Woodson, and Montgomery counties; and Manhattan | 1.0 | Earmarked for economic development, public infrastructure projects, or strategic planning initiatives; required to sunset after ten years |
| All Cities and All Counties | 1.0 | Earmarked for health care services |
| Russell County | 0.5 | Earmarked for economic development and public infrastructure purposes |
| Cowley County | 0.25 | |
| Sherman County | 0.75 | Reconstructing and improving county roads |
| Cities in Johnson County | 0.125 | Public infrastructure projects |
| Franklin County | 0.25 | Recreational facility financing |
| Johnson County | 0.5 | Earmarked for payment of bonds issued for Oz Theme Park and Resort redevelopment district. |

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 several exceptions.

SPECIAL DISTRIBUTION PROVISIONS

| Local Units | Alternative Distribution Formula |
|---|---|
| Allen | An optional apportionment formula allows the county to retain all revenues from a 0.5 percent tax earmarked for solid waste disposal or landfill modification. Tax sunsets when costs are paid. |
| Franklin | Cities do not share in revenues, all of which must be earmarked for financing of recreational facilities. Tax sunsets once costs are paid. |
| Russell, Woodson, Cowley | Cities do not share in revenues, all of which must be earmarked for economic development or public infrastructure purposes. Tax sunsets after five years. |
| Johnson | The normal distribution formula for was modified in 1993 relative to fire protection service property tax levies within cities. |
| Johnson | An optional apportionment allows the county to retain a larger share of the revenue relative to the cities. |
| Atchison, Ford, Neosho, Wilson, Osage, Wabaunsee, Jefferson, Montgomery, Wyandotte, Saline, Riley, Lyon, Butler, Barton, Crawford, Seward, Cherokee, Ottawa, Cowley | Cities do not share in revenues, all of which must be earmarked for jail, courthouse, law enforcement, or county administrative facilities. Tax sunsets when costs are paid. |
| Ford, Finney | Cities do not share in revenues, all of which must be earmarked for system enhancement highway projects. Tax sunsets when costs are paid. |
| Johnson and other counties within 60 miles | Neither cities nor counties would share directly in revenues, all of which would be expended by Metropolitan Culture Commission. |
| All counties with Stormwater Management Sales Tax | Cities do not share in revenues, all of which must be earmarked for stormwater management. |
| All counties with Sales Tax for Health Care Services | Cities do not share in revenues, all of which must be earmarked for health care services, unless cities previously were imposing a health care tax of their own which was preempted by the county tax. Under such circumstances, such cities would retain that portion of the county collections from within the city limits. |
| Montgomery | Cities do not share in revenues, all of which must be earmarked for purposes pledged on November 8, 1994 ballot (incentive package for Cessna and American Insulated Wire). |

| Local Units | Alternative Distribution Formula |
|--|---|
| Dickinson, Miami, Clay | Cities do not share in revenues, all of which must be earmarked for roadway construction and improvement. Tax sunsets after five years. |
| Sherman | Cities do not share in revenues, all of which must be earmarked for County Roads 64 and 65. Tax sunsets once such costs are paid. |
| Wyandotte | Under certain circumstances, revenues could be earmarked for payment of bonds to finance auto race track facility. |
| Johnson | All revenues from certain sales taxes earmarked for payment of bonds issued for Oz Theme Park and Resort redevelopment district. |
| Historic Theater Districts | Revenues collected from within such districts may be earmarked for payment of bonds issued for renovation, restoration, or improvement. |
| Kansas City Kansas Community College Multisport Athletic Complex District | Under certain circumstances, revenues could be earmarked for payment of bonds to finance such an athletic complex. |

Extent of Use as of November 1, 2000: Of the 174 cities, one (Neodesha) imposed the 2.0 percent rate; two (Wamego and Caney) imposed the 1.75 percent rate; three (Hays, Coffeyville, and Stockton) imposed the 1.5 percent rate; two (Ellsworth and Wellington) imposed the 1.25 percent rate; four (Lenexa, Overland Park, Olathe, and Leawood) imposed the 1.125 percent rate; 126 imposed the 1.0 percent rate; three (Hutchinson, Abilene, and Salina) imposed the 0.75 percent rate; 32 imposed the 0.5 percent rate; and one (Holton) imposed the 0.25 percent rate. Of the 75 counties, three (Ottawa, Cheyenne, and Wichita) imposed the 2.0 percent rate; five imposed the 1.5 percent rate; one (Geary) imposed the 1.25 percent rate; 57 imposed the 1.0 percent rate; one (Johnson) imposed the 0.975 percent rate; one (Finney) imposed the 0.75 percent rate; six imposed the 0.5 percent rate; and one (Shawnee) imposed the 0.25 percent rate. Washburn University also imposed a tax of 0.65 percent throughout Shawnee County.

LOCAL SALES TAX RATES AS OF 11/1/2000

| Counties | 75 | Cities | 174 |
|------------------|----|----------------|-----|
| Rate of 0.25%(a) | 1 | Rate of 0.25% | 1 |
| Rate of 0.5% | 76 | Rate of 0.5% | 32 |
| Rate of 0.75% | 1 | Rate of 0.75% | 3 |
| Rate of 0.975% | 1 | Rate of 0.975% | 0 |
| Rate of 1.0% | 57 | Rate of 1.0% | 126 |
| Rate of 1.25% | 0 | Rate of 1.25% | 4 |
| Rate of 1.25% | 1 | Rate of 1.25% | 2 |
| Rate of 1.5% | 5 | Rate of 1.5% | 3 |
| Rate of 1.75% | 0 | Rate of 1.75% | 2 |
| Rate of 2.0% | 3 | Rate of 2.0% | 1 |

a) Rate imposed by Shawnee County. Washburn University imposes an additional 0.65 percent throughout that county.

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; and to 142 cities and 70 counties by 1995.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|---------|
| FY 2000 | \$ | 499,162 |
| FY 1999 | | 456,268 |
| FY 1998 | | 425,956 |
| FY 1997 | | 391,838 |
| FY 1996 | | 371,593 |

The cities of Delphos and Neodesha feature the highest combined state and local sales tax in the state at 7.90 percent. The combined state and local rate is at least 6.90 percent in 71 cities and in the entirety of Ottawa, Cheyenne, and Wichita counties. There are no local sales taxes (county or city) imposed anywhere within four counties (Coffey, Hodgeman, Smith, and Wallace).

The following tables provide the city and county sales tax rates in effect on November 1, 2000.

Sales Taxes Levied by Cities

| City | 11/1/00 Rate | City | 11/1/00 Rate | City | 11/1/00 Rate |
|------------------|-----------------|-----------------|-----------------|----------------|-----------------|
| Abilene | 0.75 | Easton | 1 | Iola | 1 |
| Altamont | 1 | Edgerton | 1 | Junction City | 1 |
| Americus | 0.5 | Edna | 1 | Kanopolis | 1 |
| Andover | 0.5 | Edwardsville | 1 | Kansas City | 1 |
| Anthony | 0.5 | Effingham | 1 | Kincaid | 1 |
| Argonia | 1 | El Dorado | 1 | La Crosse | 1 |
| Arkansas City | 1 | Elkhart | 1 | La Cygne | 1 |
| Arma | 0.5 | Ellis | 1 | Lakin | 1 |
| Atchison | 1 | Ellsworth | 1.25 | Lansing | 1 |
| Auburn | 1 | Elwood | 1 | Lawrence | 1 |
| Augusta | 0.5 | Emporia | 1 | Leavenworth | 1 |
| Baldwin City | 1 | Erie | 1 | Leawood | 1.125 |
| Basehor | 1 | Eudora | 0.5 | Lenexa | 1.125 |
| Baxter Springs | 1 | Fairway | 1 | Liberal | 1 |
| Belle Plaine | 1 | Fontana | 0.5 | Lindsborg | 1 |
| Benton | 1 | Fort Scott | 1 | Longford | 1 |
| Bonner Springs | 1 | Fredonia | 1 | Louisburg | 1 |
| Bronson | 1 | Frontenac | 1 | Lyndon | 1 |
| Burden | 1 | Galena | 1 | Manhattan | 1 |
| Caldwell | 1 | Garden City | 1 | Marysville | 1 |
| Caney | 1.75 | Gardner | 1 | Mayfield | 0.5 |
| Cedar Vale | 1 | Garnett | 0.5 | Medicine Lodge | 0.5 |
| Chanute | 1 | Gas | 1 | Merriam | 1 |
| Cherryvale | 1 | Girard | 0.5 | Miltonvale | 1 |
| Chetopa | 1 | Glasco | 1 | Minneola | 1 |
| Clay Center | 1 | Grandview Plaza | 1 | Mission | 1 |
| Coffeyville | 1.5 | Great Bend | 0.5 | Moran | 0.5 |
| Coldwater | 1 | Hays | 1.5 | Morland | 1 |
| Columbus | 1 | Herington | 1 | Mound City | 1 |
| Concordia | 1 | Hiawatha | 1 | Neodesha | 2 |
| Conway Spgs | 1 | Hill City | 1 | Norton | 0.5 |
| Cottonwood Falls | 1 | Hillsboro | 0.5 | Ogden | 1 |
| De Soto | 1 | Holton | 0.25 | Olathe | 1.125 |
| Deerfield | 1 | Horton | 1 | Onaga | 1 |
| Delphos | 1 | Hugoton | 1 | Osawatimie | 0.5 |
| Dighton | 1 | Humboldt | 0.5 | Oswego | 1 |
| Dodge City | 1 | Hutchinson | 0.75 | Ottawa | 0.5 |
| Douglas | 1 | Independence | 1 | Overbrook | 1 |

Sales Taxes Levied by Cities

| City | 11/1/00 Rate | City | 11/1/00 Rate | City | 11/1/00 Rate |
|-----------------|-----------------|------------------|-----------------|----------------|-----------------|
| Overland Park | 1.125 | Rose Hill | 1 | Tonganoxie | 1 |
| Oxford | 1 | Rossville | 1 | Topeka | 1 |
| Paola | 1 | Sabetha | 0.5 | Toronto | 0.5 |
| Parsons | 1 | Saint Marys | 1 | Towanda | 1 |
| Paxico | 1 | Saint Paul | 1 | Ulysses | 1 |
| Perry | 0.5 | Salina | 0.75 | WaKeeney | 1 |
| Phillipsburg | 0.5 | Satanta | 0.5 | Wakefield | 1 |
| Pittsburg | 0.5 | Scammon | 1 | Wamego | 1.75 |
| Plainville | 1 | Sedan | 0.5 | Weir | 1 |
| Pleasanton | 1 | Shawnee | 1 | Wellington | 1.25 |
| Pomona | 1 | South Hutchinson | 0.5 | Wellsville | 0.5 |
| Prairie Village | 1 | Spivey | 0.5 | Westmoreland | 1 |
| Princeton | 0.5 | Spring Hill | 1 | Westwood | 1 |
| Protection | 1 | Stockton | 1.5 | Westwood Hills | 1 |
| Ransom | 0.5 | Strong City | 1 | Williamsburg | 1 |
| Riley | 1 | Sublette | 0.5 | Wilson | 1 |
| Roeland Park | 1 | Syracuse | 1 | Winfield | 1 |
| Rolla | 1 | Thayer | 1 | Yates Center | 1 |

Sales Taxes Levied by Counties

| County | 11/1/00 Rate | County | 11/1/00 Rate |
|-------------|-----------------|-------------|-----------------|
| Allen | 1 | Logan | 1 |
| Anderson | 1 | Lyon | 0.5 |
| Atchison | 1.5 | Marion | 1 |
| Barber | 1 | McPherson | 1 |
| Barton | 1 | Meade | 1 |
| Brown | 1 | Miami | 1 |
| Chase | 1 | Mitchell | 1 |
| Chautauqua | 1 | Montgomery | 1 |
| Cherokee | 1 | Morris | 1 |
| Cheyenne | 2 | Nemaha | 1 |
| Clay | 0.5 | Neosho | 1 |
| Crawford | 1.5 | Osage | 1 |
| Decatur | 1 | Osborne | 0.5 |
| Dickinson | 1 | Ottawa | 2 |
| Doniphan | 1 | Pawnee | 1 |
| Douglas | 1 | Pratt | 1 |
| Edwards | 1 | Rawlins | 1 |
| Elk | 1 | Reno | 1 |
| Ellsworth | 0.5 | Republic | 1 |
| Finney | 0.75 | Rice | 1 |
| Ford | 1 | Riley | 1 |
| Franklin | 1.5 | Russell | 1.5 |
| Geary | 1.25 | Saline | 1 |
| Gove | 1 | Scott | 1 |
| Gray | 1 | Sedgwick | 1 |
| Greeley | 1 | Seward | 1 |
| Greenwood | 1 | Shawnee (a) | 0.25 |
| Hamilton | 0.5 | Sheridan | 1 |
| Harvey | 1 | Sherman | 1.5 |
| Haskell | 0.5 | Stafford | 1 |
| Jackson | 1 | Stanton | 1 |
| Jefferson | 1 | Thomas | 1 |
| Jewell | 1 | Wabaunsee | 1 |
| Johnson | 0.975 | Washington | 1 |
| Kiowa | 1 | Wichita | 2 |
| Labette | 1 | Wilson | 1 |
| Leavenworth | 1 | Wyandotte | 1 |
| Lincoln | 1 | | |

(a) Washburn University also levies a tax of 0.65 percent throughout Shawnee County.

Combined Local Sales Tax Rates as of November 1, 2000
(Sorted Highest to Lowest by Rate)

| City | City Juris Code | Tax Rate | County | County Juris Code | Tax Rate | Total Rate Including State (4.9%) |
|------------------|--------------------|----------|-------------|----------------------|----------|---|
| Delphos | DELOT | 1 | Ottawa | OTTCO | 2 | 7.9 |
| Neodesha | NEOWL | 2 | Wilson | WILCO | 1 | 7.9 |
| Caney | CANMG | 1.75 | Montgomery | MONCO | 1 | 7.65 |
| Atchison | ATCAT | 1 | Atchison | ATCCO | 1.5 | 7.4 |
| Coffeyville | COFMG | 1.5 | Montgomery | MONCO | 1 | 7.4 |
| Effingham | EFFAT | 1 | Atchison | ATCCO | 1.5 | 7.4 |
| Frontenac | FROCR | 1 | Crawford | CRACO | 1.5 | 7.4 |
| Pomona | POMFR | 1 | Franklin | FRACO | 1.5 | 7.4 |
| Williamsburg | WILFR | 1 | Franklin | FRACO | 1.5 | 7.4 |
| Grandview Plaza | GRAGE | 1 | Geary | GEACO | 1.25 | 7.15 |
| Junction City | JUNGE | 1 | Geary | GEACO | 1.25 | 7.15 |
| Leawood | LEAJO | 1.125 | Johnson | JOHCO | 0.975 | 7.0 |
| Lenexa | LENJO | 1.125 | Johnson | JOHCO | 0.975 | 7.0 |
| Olathe | OLAJO | 1.125 | Johnson | JOHCO | 0.975 | 7.0 |
| Overland Park | OVEJO | 1.125 | Johnson | JOHCO | 0.975 | 7.0 |
| Altamont | ALTLB | 1 | Labette | LABCO | 1 | 6.9 |
| Arma | ARMCR | 0.5 | Crawford | CRACO | 1.5 | 6.9 |
| Baldwin City | BALDG | 1 | Douglas | DOUCO | 1 | 6.9 |
| Basehor | BASLV | 1 | Leavenworth | LEACO | 1 | 6.9 |
| Baxter Spgs | BAXCK | 1 | Cherokee | CHKCO | 1 | 6.9 |
| Bennington | BENOT | 0 | Ottawa | OTTCO | 2 | 6.9 |
| Bird City | BIRCN | 0 | Cheyenne | CHYCO | 2 | 6.9 |
| Bonner Spgs* | BONWY | 1 | Wyandotte | WYACO | 1 | 6.9 |
| Cedar Vale | CEDCQ | 1 | Chautauqua | CHQCO | 1 | 6.9 |
| Chanute | CHANO | 1 | Neosho | NEOCO | 1 | 6.9 |
| Cherryvale | CHEMG | 1 | Montgomery | MONCO | 1 | 6.9 |
| Chetopa | CHELB | 1 | Labette | LABCO | 1 | 6.9 |
| Columbus | COLCK | 1 | Cherokee | CHKCO | 1 | 6.9 |
| Cottonwood Falls | COTCS | 1 | Chase | CHSCO | 1 | 6.9 |
| Culver | CULOT | 0 | Ottawa | OTTCO | 2 | 6.9 |
| Dodge City | DODFO | 1 | Ford | FORCO | 1 | 6.9 |
| Easton | EASLV | 1 | Leavenworth | LEACO | 1 | 6.9 |
| Edna | EDNLB | 1 | Labette | LABCO | 1 | 6.9 |
| Edwardsville | EDWWY | 1 | Wyandotte | WYACO | 1 | 6.9 |
| Elwood | ELWDP | 1 | Doniphan | DONCO | 1 | 6.9 |
| Erie | ERINO | 1 | Neosho | NEOCO | 1 | 6.9 |
| Fredonia | FREWL | 1 | Wilson | WILCO | 1 | 6.9 |
| Galena | GALCK | 1 | Cherokee | CHKCO | 1 | 6.9 |
| Gas | GASAL | 1 | Allen | ALLCO | 1 | 6.9 |
| Girard | GIRCR | 0.5 | Crawford | CRACO | 1.5 | 6.9 |
| Herington* | HERDK | 1 | Dickinson | DICCO | 1 | 6.9 |
| Herington* | HERMR | 1 | Morris | MOSCO | 1 | 6.9 |
| Hiawatha | HIABR | 1 | Brown | BROCO | 1 | 6.9 |
| Horton | HORBR | 1 | Brown | BROCO | 1 | 6.9 |
| Independence | INDMG | 1 | Montgomery | MONCO | 1 | 6.9 |
| Iola | IOLAL | 1 | Allen | ALLCO | 1 | 6.9 |
| Kansas City | KANWY | 1 | Wyandotte | WYACO | 1 | 6.9 |
| Kincaid | KINAN | 1 | Anderson | ANDCO | 1 | 6.9 |
| Lansing | LANLV | 1 | Leavenworth | LEACO | 1 | 6.9 |
| Lawrence | LAWDG | 1 | Douglas | DOUCO | 1 | 6.9 |
| Leavenworth | LEALV | 1 | Leavenworth | LEACO | 1 | 6.9 |
| Leoti | LEOWH | 0 | Wichita | WICCO | 2 | 6.9 |
| Liberal | LIBSW | 1 | Seward | SEWCO | 1 | 6.9 |
| Lindsborg | LINMP | 1 | McPherson | MCPCO | 1 | 6.9 |
| Louisburg | LOUMI | 1 | Miami | MIACO | 1 | 6.9 |
| Lyndon | LYNOS | 1 | Osage | OSACO | 1 | 6.9 |
| Manhattan* | MANRL | 1 | Riley | RILCO | 1 | 6.9 |

| City | City Juris Code | Tax Rate | County | County Juris Code | Tax Rate | Including State (4.9%) |
|-----------------|--------------------|----------|--------------|----------------------|----------|---------------------------|
| Minneapolis | MINOT | 0 | Ottawa | OTTCO | 2 | 6.9 |
| Ogden | OGDRL | 1 | Riley | RILCO | 1 | 6.9 |
| Oswego | OSWLB | 1 | Labette | LABCO | 1 | 6.9 |
| Ottawa | OTTFR | 0.5 | Franklin | FRACO | 1.5 | 6.9 |
| Overbrook | OVEOS | 1 | Osage | OSACO | 1 | 6.9 |
| Paola | PAOMI | 1 | Miami | MIACO | 1 | 6.9 |
| Parsons | PARLB | 1 | Labette | LABCO | 1 | 6.9 |
| Paxico | PAXWB | 1 | Wabaunsee | WABCO | 1 | 6.9 |
| Pittsburg | PITCR | 0.5 | Crawford | CRACO | 1.5 | 6.9 |
| Princeton | PRIFR | 0.5 | Franklin | FRACO | 1.5 | 6.9 |
| Riley | RILRL | 1 | Riley | RILCO | 1 | 6.9 |
| Saint Francis | SAICN | 0 | Cheyenne | CHYCO | 2 | 6.9 |
| Saint Marys* | SAMWB | 1 | Wabaunsee | WABCO | 1 | 6.9 |
| Saint Paul | SAINO | 1 | Neosho | NEOCO | 1 | 6.9 |
| Scammon | SCACK | 1 | Cherokee | CHKCO | 1 | 6.9 |
| Spring Hill* | SPRMI | 1 | Miami | MIACO | 1 | 6.9 |
| Strong City | STRCS | 1 | Chase | CHSCO | 1 | 6.9 |
| Tescott | TESOT | 0 | Ottawa | OTTCO | 2 | 6.9 |
| Thayer | THANO | 1 | Neosho | NEOCO | 1 | 6.9 |
| Tonganoxie | TONLV | 1 | Leavenworth | LEACO | 1 | 6.9 |
| Weir | WEICK | 1 | Cherokee | CHKCO | 1 | 6.9 |
| Wellsville | WELFR | 0.5 | Franklin | FRACO | 1.5 | 6.9 |
| Bonner Spgs* | BONJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| De Soto | DESJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Edgerton | EDGJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Fairway | FAIJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Gardner | GARJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Merriam | MERJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Mission | MISJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Prairie Village | PRAJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Roeland Park | ROEJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Shawnee | SHAJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Spring Hill* | SPRJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Westwood | WESJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Westwood Hills | WEHJO | 1 | Johnson | JOHCO | 0.975 | 6.875 |
| Auburn | AUBSN | 1 | Shawnee | SHACO | 0.9 | 6.8 |
| Rossville | ROSSN | 1 | Shawnee | SHACO | 0.9 | 6.8 |
| Topeka | TOPSN | 1 | Shawnee | SHACO | 0.9 | 6.8 |
| Abilene | ABIDK | 0.75 | Dickinson | DICCO | 1 | 6.65 |
| Ellsworth | ELLEW | 1.25 | Ellsworth | ELSCO | 0.5 | 6.65 |
| Garden City | GARFI | 1 | Finney | FINCO | 0.75 | 6.65 |
| Hutchinson | HUTRN | 0.75 | Reno | RENCO | 1 | 6.65 |
| Salina | SALSA | 0.75 | Saline | SALCO | 1 | 6.65 |
| Wamego | WAMPT | 1.75 | Pottawatomie | POTCO | 0 | 6.65 |
| Arcadia | ARCCR | 0 | Crawford | CRACO | 1.5 | 6.4 |
| Bunker Hill | BUNRS | 0 | Russell | RULCO | 1.5 | 6.4 |
| Cherokee | CHECR | 0 | Crawford | CRACO | 1.5 | 6.4 |
| Clay Center | CLACY | 1 | Clay | CLYCO | 0.5 | 6.4 |
| Dorrance | DORRS | 0 | Russell | RULCO | 1.5 | 6.4 |
| Emporia | EMPLY | 1 | Lyon | LYOCO | 0.5 | 6.4 |
| Eudora | EUDDG | 0.5 | Douglas | DOUCO | 1 | 6.4 |
| Fontana | FONMI | 0.5 | Miami | MIACO | 1 | 6.4 |
| Garnett | GARAN | 0.5 | Anderson | ANDCO | 1 | 6.4 |
| Goodland | GOOSH | 0 | Sherman | SHMCO | 1.5 | 6.4 |
| Gorham | GORRS | 0 | Russell | RULCO | 1.5 | 6.4 |
| Great Bend | GREBT | 0.5 | Barton | BATCO | 1 | 6.4 |
| Hays | HAYEL | 1.5 | Ellis | ELICO | 0 | 6.4 |
| Hepler | HEPCR | 0 | Crawford | CRACO | 1.5 | 6.4 |
| Hillsboro | HILMN | 0.5 | Marion | MANCO | 1 | 6.4 |
| Humboldt | HUMAL | 0.5 | Allen | ALLCO | 1 | 6.4 |
| Huron | HURAT | 0 | Atchison | ATCCO | 1.5 | 6.4 |

| City | City Juris Code | Tax Rate | County | County Juris Code | Tax Rate | Including State (4.9%) |
|------------------|--------------------|----------|------------|----------------------|----------|---------------------------|
| Kanopolis | KANEW | 1 | Ellsworth | ELSCO | 0.5 | 6.4 |
| Kanorado | KANSH | 0 | Sherman | SHMCO | 1.5 | 6.4 |
| Lancaster | LANAT | 0 | Atchison | ATCCO | 1.5 | 6.4 |
| Lane | LANFR | 0 | Franklin | FRACO | 1.5 | 6.4 |
| Longford | LONCY | 1 | Clay | CLYCO | 0.5 | 6.4 |
| Lucas | LUCRS | 0 | Russell | RULCO | 1.5 | 6.4 |
| Lurray | LURRS | 0 | Russell | RULCO | 1.5 | 6.4 |
| McCune | MCCCR | 0 | Crawford | CRACO | 1.5 | 6.4 |
| Medicine Lodge | MEDBA | 0.5 | Barber | BABCO | 1 | 6.4 |
| Moran | MORAL | 0.5 | Allen | ALLCO | 1 | 6.4 |
| Mulberry | MULCR | 0 | Crawford | CRACO | 1.5 | 6.4 |
| Muscotah | MUSAT | 0 | Atchison | ATCCO | 1.5 | 6.4 |
| Osawatomie | OSAMI | 0.5 | Miami | MIACO | 1 | 6.4 |
| Paradise | PARRS | 0 | Russell | RULCO | 1.5 | 6.4 |
| Perry | PERJF | 0.5 | Jefferson | JEFCO | 1 | 6.4 |
| Rantoul | RANFR | 0 | Franklin | FRACO | 1.5 | 6.4 |
| Richmond | RICFR | 0 | Franklin | FRACO | 1.5 | 6.4 |
| Russell | RUSRS | 0 | Russell | RULCO | 1.5 | 6.4 |
| Sabetha* | SABBR | 0.5 | Brown | BROCO | 1 | 6.4 |
| Sabetha* | SABNM | 0.5 | Nemaha | NEMCO | 1 | 6.4 |
| Sedan | SEDCQ | 0.5 | Chautauqua | CHQCO | 1 | 6.4 |
| South Hutchinson | SOURN | 0.5 | Reno | RENCO | 1 | 6.4 |
| Stockton | STORO | 1.5 | Rooks | ROOCO | 0 | 6.4 |
| Syracuse | SYRHM | 1 | Hamilton | HAMCO | 0.5 | 6.4 |
| Wakefield | WAKCY | 1 | Clay | CLYCO | 0.5 | 6.4 |
| Waldo | WALRS | 0 | Russell | RULCO | 1.5 | 6.4 |
| Walnut | WALCR | 0 | Crawford | CRACO | 1.5 | 6.4 |
| Wilson | WILEW | 1 | Ellsworth | ELSCO | 0.5 | 6.4 |
| Holton | HOLJA | 0.25 | Jackson | JACCO | 1 | 6.15 |
| Milford | MILGE | 0 | Geary | GEACO | 1.25 | 6.15 |
| Wellington | WELSU | 1.25 | Sumner | SUMCO | 0 | 6.15 |
| Abbyville | ABBRN | 0 | Reno | RENCO | 1 | 5.9 |
| Agenda | AGERP | 0 | Republic | REPCO | 1 | 5.9 |
| Albert | ALBBT | 0 | Barton | BATCO | 1 | 5.9 |
| Alden | ALDRC | 0 | Rice | RICCO | 1 | 5.9 |
| Alma | ALMWB | 0 | Wabaunsee | WABCO | 1 | 5.9 |
| Alta Vista | ALTWB | 0 | Wabaunsee | WABCO | 1 | 5.9 |
| Altoona | ALTWL | 0 | Wilson | WILCO | 1 | 5.9 |
| Americus | AMELY | 0.5 | Lyon | LYOCO | 0.5 | 5.9 |
| Andale | ANDSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Argonia | ARGSU | 1 | Sumner | SUMCO | 0 | 5.9 |
| Arkansas City | ARKCL | 1 | Cowley | COWCO | 0 | 5.9 |
| Arlington | ARLRN | 0 | Reno | RENCO | 1 | 5.9 |
| Assaria | ASSSA | 0 | Saline | SALCO | 1 | 5.9 |
| Atwood | ATWRA | 0 | Rawlins | RAWCO | 1 | 5.9 |
| Barnard | BARLC | 0 | Lincoln | LICCO | 1 | 5.9 |
| Barnes | BARWS | 0 | Washington | WASCO | 1 | 5.9 |
| Bartlett | BARLB | 0 | Labette | LABCO | 1 | 5.9 |
| Bassett | BASAL | 0 | Allen | ALLCO | 1 | 5.9 |
| Bel Aire | BELSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Belle Plaine | BELSU | 1 | Sumner | SUMCO | 0 | 5.9 |
| Belleville | BELRP | 0 | Republic | REPCO | 1 | 5.9 |
| Beloit | BELMC | 0 | Mitchell | MITCO | 1 | 5.9 |
| Belpre | BELED | 0 | Edwards | EDWCO | 1 | 5.9 |
| Benedict | BENWL | 0 | Wilson | WILCO | 1 | 5.9 |
| Bentley | BENSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Benton | BENBU | 1 | Butler | BUTCO | 0 | 5.9 |
| Bern | BERNM | 0 | Nemaha | NEMCO | 1 | 5.9 |
| Beverly | BEVLC | 0 | Lincoln | LICCO | 1 | 5.9 |
| Brewster | BRETH | 0 | Thomas | THOCO | 1 | 5.9 |
| Bronson | BROBB | 1 | Bourbon | BOUCO | 0 | 5.9 |

| City | City Juris Code | Tax Rate | County | County Juris Code | Tax Rate | Including State (4.9%) |
|---------------|--------------------|----------|------------|----------------------|----------|---------------------------|
| Brookville | BROSA | 0 | Saline | SALCO | 1 | 5.9 |
| Bucklin | BUCFO | 0 | Ford | FORCO | 1 | 5.9 |
| Buffalo | BUFWL | 0 | Wilson | WILCO | 1 | 5.9 |
| Buhler | BUHRN | 0 | Reno | RENCO | 1 | 5.9 |
| Burden | BURCL | 1 | Cowley | COWCO | 0 | 5.9 |
| Burdett | BURPN | 0 | Pawnee | PAWCO | 1 | 5.9 |
| Burlingame | BUROS | 0 | Osage | OSACO | 1 | 5.9 |
| Burns | BURMN | 0 | Marion | MANCO | 1 | 5.9 |
| Burr Oak | BURJW | 0 | Jewell | JEWCO | 1 | 5.9 |
| Burrton | BURHV | 0 | Harvey | HAYCO | 1 | 5.9 |
| Bushton | BUSRC | 0 | Rice | RICCO | 1 | 5.9 |
| Byers | BYEPR | 0 | Pratt | PRACO | 1 | 5.9 |
| Caldwell | CALSU | 1 | Sumner | SUMCO | 0 | 5.9 |
| Canton | CANMP | 0 | McPherson | MCPCO | 1 | 5.9 |
| Carbondale | CAROS | 0 | Osage | OSACO | 1 | 5.9 |
| Carlton | CARDK | 0 | Dickinson | DICCO | 1 | 5.9 |
| Cawker City | CAWMC | 0 | Mitchell | MITCO | 1 | 5.9 |
| Cedar Point | CEDCS | 0 | Chase | CHSCO | 1 | 5.9 |
| Centralia | CENNM | 0 | Nemaha | NEMCO | 1 | 5.9 |
| Chapman | CHADK | 0 | Dickinson | DICCO | 1 | 5.9 |
| Chase | CHARC | 0 | Rice | RICCO | 1 | 5.9 |
| Chautauqua | CHARQ | 0 | Chautauqua | CHQCO | 1 | 5.9 |
| Cheney | CHESG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Cimarron | CIMGY | 0 | Gray | GRYCO | 1 | 5.9 |
| Circleville | CIRJA | 0 | Jackson | JACCO | 1 | 5.9 |
| Claffin | CLABT | 0 | Barton | BATCO | 1 | 5.9 |
| Clayton* | CLADC | 0 | Decatur | DECCO | 1 | 5.9 |
| Clearwater | CLESG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Clifton* | CLIWS | 0 | Washington | WASCO | 1 | 5.9 |
| Climax | CLIGW | 0 | Greenwood | GRWCO | 1 | 5.9 |
| Coats | COAPR | 0 | Pratt | PRACO | 1 | 5.9 |
| Colby | COLTH | 0 | Thomas | THOCO | 1 | 5.9 |
| Coldwater | COLCM | 1 | Comanche | COMCO | 0 | 5.9 |
| Colony | COLAN | 0 | Anderson | ANDCO | 1 | 5.9 |
| Colwich | COLSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Concordia | CONCD | 1 | Cloud | CLOCO | 0 | 5.9 |
| Conway Spgs | CONSU | 1 | Sumner | SUMCO | 0 | 5.9 |
| Copeland | COPGY | 0 | Gray | GRYCO | 1 | 5.9 |
| Corning | CORNM | 0 | Nemaha | NEMCO | 1 | 5.9 |
| Council Grove | COUMR | 0 | Morris | MOSCO | 1 | 5.9 |
| Courtland | COURP | 0 | Republic | REPCO | 1 | 5.9 |
| Coyville | COYWL | 0 | Wilson | WILCO | 1 | 5.9 |
| Cuba | CUBRP | 0 | Republic | REPCO | 1 | 5.9 |
| Cullison | CULPR | 0 | Pratt | PRACO | 1 | 5.9 |
| Dearing | DEAMG | 0 | Montgomery | MONCO | 1 | 5.9 |
| Deerfield | DEEKE | 1 | Kearney | KEACO | 0 | 5.9 |
| Delia | DELJA | 0 | Jackson | JACCO | 1 | 5.9 |
| Denison | DENJA | 0 | Jackson | JACCO | 1 | 5.9 |
| Denton | DENDP | 0 | Doniphan | DONCO | 1 | 5.9 |
| Derby | DERSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Dighton | DIGLE | 1 | Lane | LANCO | 0 | 5.9 |
| Douglass | DOUBU | 1 | Butler | BUTCO | 0 | 5.9 |
| Dresden | DREDC | 0 | Decatur | DECCO | 1 | 5.9 |
| Dunlap | DUNMR | 0 | Morris | MOSCO | 1 | 5.9 |
| Durham | DURMN | 0 | Marion | MANCO | 1 | 5.9 |
| Dwight | DWIMR | 0 | Morris | MOSCO | 1 | 5.9 |
| Earlton | EARNO | 0 | Neosho | NEOCO | 1 | 5.9 |
| Eastborough | EASSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| El Dorado | ELDBU | 1 | Butler | BUTCO | 0 | 5.9 |
| Elgin | ELGCQ | 0 | Chautauqua | CHQCO | 1 | 5.9 |
| Elk City | ELKMG | 0 | Montgomery | MONCO | 1 | 5.9 |

| City | City Juris Code | Tax Rate | County | County Juris Code | Tax Rate | Including State (4.9%) |
|--------------|--------------------|----------|------------|----------------------|----------|---------------------------|
| Elk Falls | ELKEK | 0 | Elk | ELKCO | 1 | 5.9 |
| Elkhart | ELKMT | 1 | Morton | MOTCO | 0 | 5.9 |
| Ellinwood | ELLBT | 0 | Barton | BATCO | 1 | 5.9 |
| Ellis | ELLEL | 1 | Ellis | ELICO | 0 | 5.9 |
| Elmdale | ELMCS | 0 | Chase | CHSCO | 1 | 5.9 |
| Elsmore | ELSAL | 0 | Allen | ALLCO | 1 | 5.9 |
| Ensign | ENSGY | 0 | Gray | GRYCO | 1 | 5.9 |
| Enterprise | ENTDK | 0 | Dickinson | DICCO | 1 | 5.9 |
| Esbon | ESBJW | 0 | Jewell | JEWCO | 1 | 5.9 |
| Eskridge | ESKWB | 0 | Wabaunsee | WABCO | 1 | 5.9 |
| Eureka | EURGW | 0 | Greenwood | GRWCO | 1 | 5.9 |
| Everest | EVEBR | 0 | Brown | BROCO | 1 | 5.9 |
| Fairview | FAIBR | 0 | Brown | BROCO | 1 | 5.9 |
| Fall River | FALGW | 0 | Greenwood | GRWCO | 1 | 5.9 |
| Florence | FLOMN | 0 | Marion | MANCO | 1 | 5.9 |
| Ford | FORFO | 0 | Ford | FORCO | 1 | 5.9 |
| Formoso | FORJW | 0 | Jewell | JEWCO | 1 | 5.9 |
| Fort Scott | FORBB | 1 | Bourbon | BOUCO | 0 | 5.9 |
| Fowler | FOWME | 0 | Meade | MEACO | 1 | 5.9 |
| Frederick | FRERC | 0 | Rice | RICCO | 1 | 5.9 |
| Galatia | GALBT | 0 | Barton | BATCO | 1 | 5.9 |
| Galesburg | GALNO | 0 | Neosho | NEOCO | 1 | 5.9 |
| Galva | GALMP | 0 | McPherson | MCPCO | 1 | 5.9 |
| Garden Plain | GARSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Garfield | GARPN | 0 | Pawnee | PAWCO | 1 | 5.9 |
| Gem | GEMTH | 0 | Thomas | THOCO | 1 | 5.9 |
| Geneseo | GENRC | 0 | Rice | RICCO | 1 | 5.9 |
| Glasco | GLACD | 1 | Cloud | CLOCO | 0 | 5.9 |
| Glen Elder | GLEMC | 0 | Mitchell | MITCO | 1 | 5.9 |
| Goddard | GODSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Goessel | GOEMN | 0 | Marion | MANCO | 1 | 5.9 |
| Goff | GOFNM | 0 | Nemaha | NEMCO | 1 | 5.9 |
| Gove City | GOVGO | 0 | Gove | GOVCO | 1 | 5.9 |
| Grainfield | GRAGO | 0 | Gove | GOVCO | 1 | 5.9 |
| Greeley | GREAN | 0 | Anderson | ANDCO | 1 | 5.9 |
| Greenleaf | GREWS | 0 | Washington | WASCO | 1 | 5.9 |
| Greensburg | GREKW | 0 | Kiowa | KIOCO | 1 | 5.9 |
| Grenola | GREEK | 0 | Elk | ELKCO | 1 | 5.9 |
| Grinnell | GRIGO | 0 | Gove | GOVCO | 1 | 5.9 |
| Gypsum | GYPSA | 0 | Saline | SALCO | 1 | 5.9 |
| Haddam | HADWS | 0 | Washington | WASCO | 1 | 5.9 |
| Halstead | HALHV | 0 | Harvey | HAYCO | 1 | 5.9 |
| Hamilton | HAMGW | 0 | Greenwood | GRWCO | 1 | 5.9 |
| Hamlin | HAMBR | 0 | Brown | BROCO | 1 | 5.9 |
| Hanover | HANWS | 0 | Washington | WASCO | 1 | 5.9 |
| Hardtner | HARBA | 0 | Barber | BABCO | 1 | 5.9 |
| Harris | HARAN | 0 | Anderson | ANDCO | 1 | 5.9 |
| Harveyville | HARWB | 0 | Wabaunsee | WABCO | 1 | 5.9 |
| Havana | HAVMG | 0 | Montgomery | MONCO | 1 | 5.9 |
| Haven | HAVRN | 0 | Reno | RENCO | 1 | 5.9 |
| Haviland | HAVKW | 0 | Kiowa | KIOCO | 1 | 5.9 |
| Haysville | HAYSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Hazelton | HAZBA | 0 | Barber | BABCO | 1 | 5.9 |
| Herndon | HERRA | 0 | Rawlins | RAWCO | 1 | 5.9 |
| Hesston | HESHV | 0 | Harvey | HAYCO | 1 | 5.9 |
| Highland | HIGDP | 0 | Doniphan | DONCO | 1 | 5.9 |
| Hill City | HILGH | 1 | Graham | GRHCO | 0 | 5.9 |
| Hoisington | HOIBT | 0 | Barton | BATCO | 1 | 5.9 |
| Hollenberg | HOLWS | 0 | Washington | WASCO | 1 | 5.9 |
| Hope | HOPDK | 0 | Dickinson | DICCO | 1 | 5.9 |
| Horace | HORGL | 0 | Greeley | GRLCO | 1 | 5.9 |

| City | City Juris Code | Tax Rate | County | County Juris Code | Tax Rate | Including State (4.9%) |
|----------------|--------------------|----------|--------------|----------------------|----------|---------------------------|
| Howard | HOWEK | 0 | Elk | ELKCO | 1 | 5.9 |
| Hoxie | HOXSD | 0 | Sheridan | SHDCO | 1 | 5.9 |
| Hoyt | HOYJA | 0 | Jackson | JACCO | 1 | 5.9 |
| Hudson | HUDSF | 0 | Stafford | STFCO | 1 | 5.9 |
| Hugoton | HUGSV | 1 | Stevens | STECO | 0 | 5.9 |
| Hunter | HUNMC | 0 | Mitchell | MITCO | 1 | 5.9 |
| Ingalls | INGGY | 0 | Gray | GRYCO | 1 | 5.9 |
| Inman | INMMP | 0 | McPherson | MCPCO | 1 | 5.9 |
| Isabel | ISABA | 0 | Barber | BABCO | 1 | 5.9 |
| Iuka | IUKPR | 0 | Pratt | PRACO | 1 | 5.9 |
| Jennings | JENDC | 0 | Decatur | DECCO | 1 | 5.9 |
| Jewell | JEWJW | 0 | Jewell | JEWCO | 1 | 5.9 |
| Johnson City | JOHST | 0 | Stanton | STNCO | 1 | 5.9 |
| Kechi | KECSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Kinsley | KINED | 0 | Edwards | EDWCO | 1 | 5.9 |
| Kiowa | KIOBA | 0 | Barber | BABCO | 1 | 5.9 |
| Kismet | KISSW | 0 | Seward | SEWCO | 1 | 5.9 |
| La Crosse | LACRH | 1 | Rush | RUHCO | 0 | 5.9 |
| La Cygne | LACLN | 1 | Linn | LINCO | 0 | 5.9 |
| La Harpe | LAHAL | 0 | Allen | ALLCO | 1 | 5.9 |
| Labette | LABLB | 0 | Labette | LABCO | 1 | 5.9 |
| Lake Quivira* | LAKWY | 0 | Wyandotte | WYACO | 1 | 5.9 |
| Lakin | LAKKE | 1 | Kearney | KEACO | 0 | 5.9 |
| Langdon | LANRN | 0 | Reno | RENCO | 1 | 5.9 |
| Larned | LARPN | 0 | Pawnee | PAWCO | 1 | 5.9 |
| Latimer | LATMR | 0 | Morris | MOSCO | 1 | 5.9 |
| Lecompton | LECDG | 0 | Douglas | DOUCO | 1 | 5.9 |
| Lehigh | LEHMN | 0 | Marion | MANCO | 1 | 5.9 |
| Leona | LEODP | 0 | Doniphan | DONCO | 1 | 5.9 |
| Leonardville | LEORL | 0 | Riley | RILCO | 1 | 5.9 |
| Lewis | LEWED | 0 | Edwards | EDWCO | 1 | 5.9 |
| Liberty | LIBMG | 0 | Montgomery | MONCO | 1 | 5.9 |
| Lincoln Center | LINLC | 0 | Lincoln | LICCO | 1 | 5.9 |
| Lincolnvile | LINMN | 0 | Marion | MANCO | 1 | 5.9 |
| Linn | LINWS | 0 | Washington | WASCO | 1 | 5.9 |
| Linwood | LINLV | 0 | Leavenworth | LEACO | 1 | 5.9 |
| Little River | LITRC | 0 | Rice | RICCO | 1 | 5.9 |
| Lone Elm | LONAN | 0 | Anderson | ANDCO | 1 | 5.9 |
| Longton | LONEK | 0 | Elk | ELKCO | 1 | 5.9 |
| Lost Springs | LOSMN | 0 | Marion | MANCO | 1 | 5.9 |
| Lyons | LYORC | 0 | Rice | RICCO | 1 | 5.9 |
| Macksville | MACSF | 0 | Stafford | STFCO | 1 | 5.9 |
| Madison | MADGW | 0 | Greenwood | GRWCO | 1 | 5.9 |
| Mahaska | MAHWS | 0 | Washington | WASCO | 1 | 5.9 |
| Maize | MAISG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Manchester | MANDK | 0 | Dickinson | DICCO | 1 | 5.9 |
| Manhattan* | MANPT | 1 | Pottawatomie | POTCO | 0 | 5.9 |
| Mankato | MANJW | 0 | Jewell | JEWCO | 1 | 5.9 |
| Manter | MANST | 0 | Stanton | STNCO | 1 | 5.9 |
| Maple Hill | MAPWB | 0 | Wabaunsee | WABCO | 1 | 5.9 |
| Marion | MARMN | 0 | Marion | MANCO | 1 | 5.9 |
| Marquette | MARMP | 0 | McPherson | MCPCO | 1 | 5.9 |
| Marysville | MARMS | 1 | Marshall | MALCO | 0 | 5.9 |
| Matfield Green | MATCS | 0 | Chase | CHSCO | 1 | 5.9 |
| Mayetta | MAYJA | 0 | Jackson | JACCO | 1 | 5.9 |
| McDonald | MCDRA | 0 | Rawlins | RAWCO | 1 | 5.9 |
| McFarland | MCFWB | 0 | Wabaunsee | WABCO | 1 | 5.9 |
| McLouth | MCLJF | 0 | Jefferson | JEFCO | 1 | 5.9 |
| McPherson | MCPMP | 0 | McPherson | MCPCO | 1 | 5.9 |
| Meade | MEAME | 0 | Meade | MEACO | 1 | 5.9 |
| Melvern | MELOS | 0 | Osage | OSACO | 1 | 5.9 |

| City | City Juris Code | Tax Rate | County | County Juris Code | Tax Rate | Including State (4.9%) |
|----------------|--------------------|----------|--------------|----------------------|----------|---------------------------|
| Menlo | MENTH | 0 | Thomas | THOCO | 1 | 5.9 |
| Meriden | MERJF | 0 | Jefferson | JEFCO | 1 | 5.9 |
| Mildred | MILAL | 0 | Allen | ALLCO | 1 | 5.9 |
| Miltonvale | MILCD | 1 | Cloud | CLOCO | 0 | 5.9 |
| Minneola | MINCA | 1 | Clark | CLACO | 0 | 5.9 |
| Moline | MOLEK | 0 | Elk | ELKCO | 1 | 5.9 |
| Montezuma | MONGY | 0 | Gray | GRYCO | 1 | 5.9 |
| Morland | MORGH | 1 | Graham | GRHCO | 0 | 5.9 |
| Morrill | MORBR | 0 | Brown | BROCO | 1 | 5.9 |
| Morrowville | MORWS | 0 | Washington | WASCO | 1 | 5.9 |
| Mound City | MOULN | 1 | Linn | LINCO | 0 | 5.9 |
| Mound Valley | MOULB | 0 | Labette | LABCO | 1 | 5.9 |
| Moundridge | MOUMP | 0 | McPherson | MCPCO | 1 | 5.9 |
| Mount Hope | MOUSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Mullinville | MULKW | 0 | Kiowa | KIOCO | 1 | 5.9 |
| Mulvane* | MULSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Munden | MUNRP | 0 | Republic | REPCO | 1 | 5.9 |
| Narka | NARRP | 0 | Republic | REPCO | 1 | 5.9 |
| Netawaka | NETJA | 0 | Jackson | JACCO | 1 | 5.9 |
| New Albany | NEWWL | 0 | Wilson | WILCO | 1 | 5.9 |
| New Cambria | NEWSA | 0 | Saline | SALCO | 1 | 5.9 |
| Newton | NEWHV | 0 | Harvey | HAYCO | 1 | 5.9 |
| Nickerson | NICRN | 0 | Reno | RENCO | 1 | 5.9 |
| Niotaze | NIOCQ | 0 | Chautauqua | CHQCO | 1 | 5.9 |
| Norcatour | NORDC | 0 | Decatur | DECCO | 1 | 5.9 |
| North Newton | NORHV | 0 | Harvey | HAYCO | 1 | 5.9 |
| Nortonville | NORJF | 0 | Jefferson | JEFCO | 1 | 5.9 |
| Oakley* | OAKLG | 0 | Logan | LOGCO | 1 | 5.9 |
| Oakley* | OAKTH | 0 | Thomas | THOCO | 1 | 5.9 |
| Oberlin | OBEDC | 0 | Decatur | DECCO | 1 | 5.9 |
| Offerle | OFFED | 0 | Edwards | EDWCO | 1 | 5.9 |
| Olivet | OLIOS | 0 | Osage | OSACO | 1 | 5.9 |
| Olmitz | OLMBT | 0 | Barton | BATCO | 1 | 5.9 |
| Onaga | ONAPT | 1 | Pottawatomie | POTCO | 0 | 5.9 |
| Oneida | ONENM | 0 | Nemaha | NEMCO | 1 | 5.9 |
| Osage City | OSAOS | 0 | Osage | OSACO | 1 | 5.9 |
| Oskaloosa | OSKJF | 0 | Jefferson | JEFCO | 1 | 5.9 |
| Oxford | OXFSU | 1 | Sumner | SUMCO | 0 | 5.9 |
| Ozawkie | OZAJF | 0 | Jefferson | JEFCO | 1 | 5.9 |
| Palmer | PALWS | 0 | Washington | WASCO | 1 | 5.9 |
| Park | PARGO | 0 | Gove | GOVCO | 1 | 5.9 |
| Park City | PARSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Parkerville | PARMR | 0 | Morris | MOSCO | 1 | 5.9 |
| Partridge | PARRN | 0 | Reno | RENCO | 1 | 5.9 |
| Pawnee Rock | PAWBT | 0 | Barton | BATCO | 1 | 5.9 |
| Peabody | PEAMN | 0 | Marion | MANCO | 1 | 5.9 |
| Peru | PERCQ | 0 | Chautauqua | CHQCO | 1 | 5.9 |
| Plains | PLAME | 0 | Meade | MEACO | 1 | 5.9 |
| Plainville | PLARO | 1 | Rooks | ROOCO | 0 | 5.9 |
| Pleasanton | PLELN | 1 | Linn | LINCO | 0 | 5.9 |
| Plevna | PLERN | 0 | Reno | RENCO | 1 | 5.9 |
| Powhattan | POWBR | 0 | Brown | BROCO | 1 | 5.9 |
| Pratt | PRAPR | 0 | Pratt | PRACO | 1 | 5.9 |
| Preston | PREPR | 0 | Pratt | PRACO | 1 | 5.9 |
| Pretty Prairie | PRERN | 0 | Reno | RENCO | 1 | 5.9 |
| Protection | PROCM | 1 | Comanche | COMCO | 0 | 5.9 |
| Quenemo | QUEOS | 0 | Osage | OSACO | 1 | 5.9 |
| Quinter | QUIGO | 0 | Gove | GOVCO | 1 | 5.9 |
| Radium | RADSF | 0 | Stafford | STFCO | 1 | 5.9 |
| Ramona | RAMMN | 0 | Marion | MANCO | 1 | 5.9 |
| Randall | RANJW | 0 | Jewell | JEWCO | 1 | 5.9 |

| City | City Juris Code | Tax Rate | County | County Juris Code | Tax Rate | Including State (4.9%) |
|---------------|--------------------|----------|--------------|----------------------|----------|---------------------------|
| Randolph | RANRL | 0 | Riley | RILCO | 1 | 5.9 |
| Raymond | RAYRC | 0 | Rice | RICCO | 1 | 5.9 |
| Republic | REPRP | 0 | Republic | REPCO | 1 | 5.9 |
| Reserve | RESBR | 0 | Brown | BROCO | 1 | 5.9 |
| Rexford | REXTH | 0 | Thomas | THOCO | 1 | 5.9 |
| Robinson | ROBBR | 0 | Brown | BROCO | 1 | 5.9 |
| Rolla | ROLMT | 1 | Morton | MOTCO | 0 | 5.9 |
| Rose Hill | ROSBU | 1 | Butler | BUTCO | 0 | 5.9 |
| Roseland | ROSCK | 0 | Cherokee | CHKCO | 1 | 5.9 |
| Rozel | ROZPN | 0 | Pawnee | PAWCO | 1 | 5.9 |
| Russell Spgs | RUSLG | 0 | Logan | LOGCO | 1 | 5.9 |
| Saint John | SAISF | 0 | Stafford | STFCO | 1 | 5.9 |
| Saint Marys* | SAMPT | 1 | Pottawatomie | POTCO | 0 | 5.9 |
| Satanta | SATHS | 0.5 | Haskell | HASCO | 0.5 | 5.9 |
| Savonburg | SAVAL | 0 | Allen | ALLCO | 1 | 5.9 |
| Sawyer | SAWPR | 0 | Pratt | PRACO | 1 | 5.9 |
| Scandia | SCARP | 0 | Republic | REPCO | 1 | 5.9 |
| Scott City | SCOSC | 0 | Scott | SCOCO | 1 | 5.9 |
| Scottsville | SCOMC | 0 | Mitchell | MITCO | 1 | 5.9 |
| Scranton | SCROS | 0 | Osage | OSACO | 1 | 5.9 |
| Sedgwick* | SEDHV | 0 | Harvey | HAYCO | 1 | 5.9 |
| Sedgwick* | SEDSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Selden | SELSD | 0 | Sheridan | SHDCO | 1 | 5.9 |
| Seneca | SENNM | 0 | Nemaha | NEMCO | 1 | 5.9 |
| Severance | SEVDP | 0 | Doniphan | DONCO | 1 | 5.9 |
| Severy | SEVGW | 0 | Greenwood | GRWCO | 1 | 5.9 |
| Seward | SEWSF | 0 | Stafford | STFCO | 1 | 5.9 |
| Sharon | SHABA | 0 | Barber | BABCO | 1 | 5.9 |
| Simpson* | SIMMC | 0 | Mitchell | MITCO | 1 | 5.9 |
| Smolan | SMOSA | 0 | Saline | SALCO | 1 | 5.9 |
| Soldier | SOLJA | 0 | Jackson | JACCO | 1 | 5.9 |
| Solomon | SOLDK | 0 | Dickinson | DICCO | 1 | 5.9 |
| Spearville | SPEFO | 0 | Ford | FORCO | 1 | 5.9 |
| Stafford | STASF | 0 | Stafford | STFCO | 1 | 5.9 |
| Stark | STANO | 0 | Neosho | NEOCO | 1 | 5.9 |
| Sterling | STERC | 0 | Rice | RICCO | 1 | 5.9 |
| Sublette | SUBHS | 0.5 | Haskell | HASCO | 0.5 | 5.9 |
| Sun City | SUNBA | 0 | Barber | BABCO | 1 | 5.9 |
| Susank | SUSBT | 0 | Barton | BATCO | 1 | 5.9 |
| Sylvan Grove | SYLLC | 0 | Lincoln | LICCO | 1 | 5.9 |
| Sylvia | SYLRN | 0 | Reno | RENCO | 1 | 5.9 |
| Tampa | TAMMN | 0 | Marion | MANCO | 1 | 5.9 |
| Tipton | TIPMC | 0 | Mitchell | MITCO | 1 | 5.9 |
| Towanda | TOWBU | 1 | Butler | BUTCO | 0 | 5.9 |
| Treece | TRECK | 0 | Cherokee | CHKCO | 1 | 5.9 |
| Tribune | TRIGL | 0 | Greeley | GRLCO | 1 | 5.9 |
| Troy | TRODP | 0 | Doniphan | DONCO | 1 | 5.9 |
| Turon | TURRN | 0 | Reno | RENCO | 1 | 5.9 |
| Tyro | TYRMG | 0 | Montgomery | MONCO | 1 | 5.9 |
| Ulysses | ULYGT | 1 | Grant | GRNCO | 0 | 5.9 |
| Valley Center | VALSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Valley Falls | VALJF | 0 | Jefferson | JEFCO | 1 | 5.9 |
| Vining | VINWS | 0 | Washington | WASCO | 1 | 5.9 |
| Viola | VIOSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Virgil | VIRGW | 0 | Greenwood | GRWCO | 1 | 5.9 |
| WaKeeney | WAKTR | 1 | Trego | TRECO | 0 | 5.9 |
| Walton | WALHV | 0 | Harvey | HAYCO | 1 | 5.9 |
| Washington | WASWS | 0 | Washington | WASCO | 1 | 5.9 |
| Wathena | WATDP | 0 | Doniphan | DONCO | 1 | 5.9 |
| Webber | WEBJW | 0 | Jewell | JEWCO | 1 | 5.9 |
| West Mineral | WESCK | 0 | Cherokee | CHKCO | 1 | 5.9 |

| City | City Juris Code | Tax Rate | County | County Juris Code | Tax Rate | Including State (4.9%) |
|---------------|--------------------|----------|--------------|----------------------|----------|---------------------------|
| Westmoreland | WESPT | 1 | Pottawatomie | POTCO | 0 | 5.9 |
| Westphalia | WESAN | 0 | Anderson | ANDCO | 1 | 5.9 |
| Wetmore | WETNM | 0 | Nemaha | NEMCO | 1 | 5.9 |
| White City | WHIMR | 0 | Morris | MOSCO | 1 | 5.9 |
| White Cloud | WHIDP | 0 | Doniphan | DONCO | 1 | 5.9 |
| Whiting | WHIJA | 0 | Jackson | JACCO | 1 | 5.9 |
| Wichita | WICSG | 0 | Sedgwick | SEDCO | 1 | 5.9 |
| Willard* | WILWB | 0 | Wabaunsee | WABCO | 1 | 5.9 |
| Willis | WILBR | 0 | Brown | BROCO | 1 | 5.9 |
| Willowbrook | WILRN | 0 | Reno | RENCO | 1 | 5.9 |
| Wilsey | WILMR | 0 | Morris | MOSCO | 1 | 5.9 |
| Winchester | WINJF | 0 | Jefferson | JEFCO | 1 | 5.9 |
| Windom | WINMP | 0 | McPherson | MCPCO | 1 | 5.9 |
| Winfield | WINCL | 1 | Cowley | COWCO | 0 | 5.9 |
| Winona | WINLG | 0 | Logan | LOGCO | 1 | 5.9 |
| Woodbine | WOODK | 0 | Dickinson | DICCO | 1 | 5.9 |
| Yates Center | YATWO | 1 | Woodson | WOOCO | 0 | 5.9 |
| Countryside | COUJO | 0 | Johnson | JOHCO | 0.975 | 5.875 |
| Lake Quivira* | LAKJO | 0 | Johnson | JOHCO | 0.975 | 5.875 |
| Mission Hills | MIHJO | 0 | Johnson | JOHCO | 0.975 | 5.875 |
| Mission Woods | MIWJO | 0 | Johnson | JOHCO | 0.975 | 5.875 |
| Silver Lake | SILSN | 0 | Shawnee | SHACO | 0.9 | 5.8 |
| Willard* | WILSN | 0 | Shawnee | SHACO | 0.9 | 5.8 |
| Holcomb | HOLFI | 0 | Finney | FINCO | 0.75 | 5.65 |
| Admire | ADMLY | 0 | Lyon | LYOCO | 0.5 | 5.4 |
| Allen | ALLLY | 0 | Lyon | LYOCO | 0.5 | 5.4 |
| Alton | ALTOB | 0 | Osborne | OSBCO | 0.5 | 5.4 |
| Andover | ANDBU | 0.5 | Butler | BUTCO | 0 | 5.4 |
| Anthony | ANTHP | 0.5 | Harper | HARCO | 0 | 5.4 |
| Augusta | AUGBU | 0.5 | Butler | BUTCO | 0 | 5.4 |
| Bushong | BUSLY | 0 | Lyon | LYOCO | 0.5 | 5.4 |
| Clifton* | CLICY | 0 | Clay | CLYCO | 0.5 | 5.4 |
| Coolidge | COLHM | 0 | Hamilton | HAMCO | 0.5 | 5.4 |
| Downs | DOWOB | 0 | Osborne | OSBCO | 0.5 | 5.4 |
| Green | GRECY | 0 | Clay | CLYCO | 0.5 | 5.4 |
| Hartford | HARLY | 0 | Lyon | LYOCO | 0.5 | 5.4 |
| Holyrood | HOLEW | 0 | Ellsworth | ELSCO | 0.5 | 5.4 |
| Lorraine | LOREW | 0 | Ellsworth | ELSCO | 0.5 | 5.4 |
| Mayfield | MAYSU | 0.5 | Sumner | SUMCO | 0 | 5.4 |
| Morganville | MORCY | 0 | Clay | CLYCO | 0.5 | 5.4 |
| Natoma | NATOB | 0 | Osborne | OSBCO | 0.5 | 5.4 |
| Neosho Rapids | NOELY | 0 | Lyon | LYOCO | 0.5 | 5.4 |
| Norton | NORNT | 0.5 | Norton | NORCO | 0 | 5.4 |
| Oak Hill | OAKCY | 0 | Clay | CLYCO | 0.5 | 5.4 |
| Olpe | OLPLY | 0 | Lyon | LYOCO | 0.5 | 5.4 |
| Osborne | OSBOB | 0 | Osborne | OSBCO | 0.5 | 5.4 |
| Phillipsburg | PHIPL | 0.5 | Phillips | PHICO | 0 | 5.4 |
| Portis | POROB | 0 | Osborne | OSBCO | 0.5 | 5.4 |
| Ransom | RANNS | 0.5 | Ness | NESCO | 0 | 5.4 |
| Reading | REALY | 0 | Lyon | LYOCO | 0.5 | 5.4 |
| Spivey | SPIKM | 0.5 | Kingman | KINCO | 0 | 5.4 |
| Toronto | TORWO | 0.5 | Woodson | WOOCO | 0 | 5.4 |
| Vining | VINCY | 0 | Clay | CLYCO | 0.5 | 5.4 |

* City located in two counties

Note: Shawnee County rate of 0.9 is inclusive of the 0.65 percent Washburn University tax.

Local Compensating (Use) Tax

Enacted: 1982 for motor vehicles; expanded to include watercraft in 1987.

Statutory Citation: KSA 12-198

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

Collection Period: Same as state compensating use tax.

Tax Base: Same application and exemptions as state compensating use tax, but local use tax applies only to motor vehicles and watercraft purchased outside Kansas but used within the taxing subdivision.

Present Authorized Rates: Rates are the

same as the city, county, or municipal university local sales tax. (Local use taxes are imposed automatically upon adoption of local sales taxes.)

Extent of Use: Same as local sales tax.

Net Collections:

(\$ in thousands)

| | | <u>Total</u> | | <u>Consumers'</u> | | <u>Retailers'</u> |
|---------|----|--------------|----|-------------------|----|-------------------|
| FY 2000 | \$ | 14,473 | | n/a* | | n/a* |
| FY 1999 | | 14,164 | \$ | 11,471 | \$ | 2,693 |
| FY 1998 | | 11,779 | | 9,529 | | 2,250 |
| FY 1997 | | 9,752 | | 8,094 | | 1,658 |
| FY 1996 | | 8,520 | | 7,518 | | 1,001 |

* Disaggregation not available for FY 2000.

Local Intangibles Tax

Enacted: 1925; 1924 constitutional amendment authorized classification of certain property, including intangibles (Art. 11, Sec. 1); 1925 law held invalid late in 1929 and was repealed in 1930; law reenacted in 1931; banks and savings and loan associations were made subject to a privilege (income) tax in lieu of the intangibles tax effective January 1, 1964; domestic insurance companies were made subject to a privilege (income) tax in lieu of the intangibles tax effective January 1, 1971.

Following a Kansas Supreme Court opinion (231 Kan. 1) that the authority of local units to eliminate or reduce the tax was invalid, the tax was repealed statewide in 1982 and intangibles were exempted from ad valorem and other property taxes. Cities, counties, and townships, however, were authorized to impose and administer a local tax on earnings from intangibles.

Statutory Citation: KSA 12-1,101 through 12-1,110 and 79-1113.

Administration and Collection: Department of Revenue; county clerks; county treasurers.

Collection Period: Individuals and certain corporations must file intangibles returns along with the state income tax return by April 15.

Tax Base: Income from money, notes, and other evidence of debt owned during preceding year, except property exempt by federal or state law, such as federal obligations and state and local bonds.

Present Rates: Cities and townships may impose the local intangibles earnings tax at any rate up to 2.25 percent, and counties

may impose the tax at any rate up to 0.75 percent, in increments of 1/8 of 1 percentage point.

History of Tax Rates: 1925 law set the rate at 2.5 mills on dollar value; 1927 Legislature increased rate to 5 mills; 1931 law reenacted 5-mill rate; 1958 Special Session authorized optional gross earnings method at 3 percent rate for individuals and certain businesses, first applicable in 1959 or fiscal year 1960; 1970 Legislature eliminated 5-mill option and made 3 percent tax on earnings applicable to intangibles owned at any time during preceding calendar year. A 1976 law authorized county commissioners to reduce or eliminate the county's one-fourth share of the 3 percent intangibles tax and city or township governing bodies to reduce or eliminate their three-fourths share of the tax for the year 1977 and thereafter. Legislation in 1979 allowed 5 percent of the electors of a county, city, or township to petition for an election to eliminate that unit's share of the tax and to authorize replacement of the revenue loss by imposition of any lawful tax, including property tax. The tax was repealed statewide in 1982 and cities, townships, and counties were authorized to impose the tax locally at up to the former maximum rates. Electors may petition for a referendum, which is to be held at a general election of that governing body or at a state general election, on eliminating or imposing the tax. A tax on finance companies was repealed in 1995.

Major Changes in Tax Base: As noted above, privilege taxes imposed on financial institutions and insurance companies are in lieu of the intangibles tax previously assessed locally. The 1970 Legislature made interest on savings and loan shares

subject to the intangibles tax, and eliminated an exemption of shares of stock in corporations with principal office in Kansas. Exemption of bank stock dividends was continued. The 1971 Legislature assigned a tax situs in Kansas for "accounts receivable" arising out of business conducted within the state.

A 1975 law exempted from the tax (effective with returns filed in 1976) the first \$50 of tax on intangibles owned by a taxpayer 60 or older or disabled and with household income not exceeding \$8,100. In 1978 the maximum household income was increased from \$8,100 to \$10,000 and the \$50 exemption was replaced with an exclusion of \$3,000 (the equivalent of a \$90 exemption at the full 3 percent rate). In 1979, the qualifying household income was raised from \$10,000 to \$12,500, and an exemption in declining amounts was also made available to households with income of up to \$15,500. The 1982 Legislature continued the exemptions from the former statewide tax, and enacted a new exemption for stock dividends from savings and loan association stock, and for tax year 1983 and thereafter, an increase in the exemption for elderly or disabled of up to \$5,000 of earnings from intangibles, with exemption reduced by the amount of household income in excess of \$15,000, and an exemption for earnings from notes to the extent such earnings are reimbursement of interest paid on another note, the proceeds of which were a source of funds for the first note. The tax is canceled and no return need be filed if the tax otherwise due is less than \$5.

A 5-mill tax on the value of shares of stock or average capital employed by finance companies was repealed in 1995.

Disposition of Revenue: To city, township, or county imposing the tax. Under a proviso enacted in 1970, amended in 1971, and reenacted and revised in 1983, townships in a county with the county unit road system are allowed to receive intangibles tax collections sufficient to fund their budgets and excess collections are credited one-half to the county general fund and one-half to the county road and bridge fund.

Extent of Use: According to the Department of Revenue, for calendar year 2001 (for earnings in 2000), 114 cities, 438 townships, and 33 counties were imposing the tax. (In calendar year 1993, there had been 147 cities, 541 townships, and 40 counties imposing taxes.)

Current rates are provided in the "Local Intangibles Tax Rates" table that follows.

Amount of Taxes Levied for Collection:
(\$ in thousands)

| | Counties | Cities | Townships | Total |
|------------|----------|----------|-----------|-------|
| FY 1996 \$ | 1,699 \$ | 1,244 \$ | 1,098 \$ | 4,041 |
| FY 1997 | 2,005 | 1,441 | 1,223 | 4,669 |
| FY 1998 | 2,022 | 1,554 | 1,333 | 4,909 |
| FY 1999 | 2,101 | 1,627 | 1,258 | 4,987 |
| FY 2000 | 2,087 | 1,497 | 1,304 | 4,888 |

LOCAL INTANGIBLES TAX RATES

| | Combined Rates (Co. & City or Co. & Twp) | | Combined Rates (Co. & City or Co. & Twp) |
|--------------------------------|---|--------------------------------|---|
| | Rate | | Rate |
| ALLEN COUNTY | | MEADE COUNTY | 0.75 |
| No local units imposing taxes. | | Townships | |
| | | Crooked Creek Twp | 2.25 3.00 |
| ANDERSON COUNTY | | Logan Twp | 2.25 3.00 |
| No local units imposing taxes. | | Odee Twp | 2.25 3.00 |
| | | Sand Creek Twp | 2.25 3.00 |
| ATCHISON COUNTY | 0 | MIAMI COUNTY | |
| Cities | | No local units imposing taxes. | |
| Huron | 2.25 | | |
| Muscotah | 2.25 | MITCHELL COUNTY | 0.75 |
| Townships | | Cities | |
| Grasshopper Twp | 2.25 | Beloit | 2.25 3.00 |
| KapiomaTwp | 2.25 | Glen Elder | 2.25 3.00 |
| Lancaster Twp | 2.25 | Hunter | 2.25 3.00 |
| Walnut Twp | 2.25 | Tipton | 2.25 3.00 |
| BARBER COUNTY | 0 | Townships | |
| Townships | | Asherville Twp | 2.25 3.00 |
| Lake City Twp | 2.25 | Beloit Twp | 2.25 3.00 |
| McAdoo Twp | 2.25 | Bloomfield Twp | 2.25 3.00 |
| Moore Twp | 2.25 | Blue Hill Twp | 2.25 3.00 |
| Nippawalla Twp | 2.25 | Carr Creek Twp | 2.25 3.00 |
| Sharon Twp | 2.25 | Center Twp | 2.25 3.00 |
| BARTON COUNTY | | Custer Twp | 2.25 3.00 |
| No local units imposing taxes. | | Eureka Twp | 2.25 3.00 |
| | | Glen Elder Twp | 2.25 3.00 |
| BOURBON COUNTY | | Hayes Twp | 2.25 3.00 |
| No local units imposing taxes. | | Logan Twp | 2.25 3.00 |
| | | Lulu Twp | 2.25 3.00 |
| BROWN COUNTY | 0 | Pittsburg Twp | 2.25 3.00 |
| Townships | | Plum Creek Twp | 2.25 3.00 |
| Hamlin Twp | 2.25 | Round Springs Twp | 2.25 3.00 |
| Hiawatha Twp | 2.25 | Salt Creek Twp | 2.25 3.00 |
| Irving Twp | 2.25 | Solomon Rapids Twp | 2.25 3.00 |
| Morrill Twp | 2.25 | Turkey Creek Twp | 2.25 3.00 |
| Robinson Twp | 2.25 | Walnut Creek Twp | 2.25 3.00 |
| Walnut Twp | 2.25 | MONTGOMERY COUNTY | |
| Washington Twp | 2.25 | No local units imposing taxes. | |
| BUTLER COUNTY | 0 | MORRIS COUNTY | |
| Townships | | No local units imposing taxes. | |
| Milton Twp | 1.5 | | |

| | <u>Rate</u> | <u>Combined Rates (Co. & City or Co. & Twp)</u> | | <u>Rate</u> | <u>Combined Rates (Co. & City or Co. & Twp)</u> |
|--------------------------------|-------------|---|--------------------------------|-------------|---|
| CHASE COUNTY | 0.75 | | MORTON COUNTY | | |
| Townships | | | No local units imposing taxes. | | |
| Homestead Twp | 2.25 | 3.00 | NEMAHA COUNTY | 0 | |
| CHAUTAUQUA COUNTY | | | Cities | | |
| No local units imposing taxes. | | | Bern | 2.25 | |
| CHEROKEE COUNTY | | | Townships | | |
| No local units imposing taxes. | | | Adams Twp | 2.25 | |
| CHEYENNE COUNTY | 0.75 | | Berwick Twp | 2.25 | |
| Cities | | | Capioma Twp | 2.25 | |
| Bird City | 2.25 | 3.00 | Center Twp | 2.25 | |
| Townships | | | Gilman Twp | 2.25 | |
| Benkelman Twp | 2.25 | 3.00 | Granada Twp | 2.25 | |
| Bird City Twp | 2.25 | 3.00 | Harrison Twp | 2.25 | |
| Calhoun Twp | 2.25 | 3.00 | Mitchell Twp | 2.25 | |
| Wano Twp | 2.25 | 3.00 | Nemaha Twp | 2.25 | |
| CLARK COUNTY | 0.75 | | Neuchatel Twp | 2.25 | |
| Cities | | | Red Vermillion Twp | 2.25 | |
| Englewood | 2.25 | 3.00 | Reilly Twp | 2.25 | |
| Minneola | 2.25 | 3.00 | Richmond Twp | 2.25 | |
| Townships | | | Rock Creek Twp | 2.25 | |
| Appelton Twp | 2.25 | 3.00 | Washington Twp | 2.25 | |
| Englewood Twp | 2.25 | 3.00 | NEOSHO COUNTY | 0 | |
| Lexington Twp | 2.25 | 3.00 | Cities | | |
| CLAY COUNTY | 0.75 | | St. Paul | 1.25 | |
| Cities | | | Thayer | 2.25 | |
| Green | 2.25 | 3.00 | Townships | | |
| Longford | 2.25 | 3.00 | Canville Twp | 2.25 | |
| Townships | | | Erie Twp | 2.25 | |
| Athelstane Twp | 2.25 | 3.00 | Lincoln Twp | 2.25 | |
| Blaine Twp | 2.25 | 3.00 | Walnut Grove Twp | 2.25 | |
| Bloom Twp | 2.25 | 3.00 | NESS COUNTY | 0.75 | |
| Chapman Twp | 2.25 | 3.00 | Cities | | |
| Clay Center Twp | 2.25 | 3.00 | Bazine | 2.25 | 3.00 |
| Exeter Twp | 2.25 | 3.00 | Brownell | 2.25 | 3.00 |
| Five Creeks Twp | 2.25 | 3.00 | Ness City | 2.25 | 3.00 |
| Garfield Twp | 2.25 | 3.00 | Ransom | 2.25 | 3.00 |
| Gill Twp | 2.25 | 3.00 | Utica | 2.25 | 3.00 |
| Goshen Twp | 2.25 | 3.00 | Townships | | |
| Grant Twp | 2.25 | 3.00 | Bazine Twp | 2.25 | 3.00 |
| Hayes Twp | 2.25 | 3.00 | Center Twp | 2.25 | 3.00 |
| Highland Twp | 2.25 | 3.00 | Eden Twp | 2.25 | 3.00 |
| Oakland Twp | 2.25 | 3.00 | Forrester Twp | 2.25 | 3.00 |
| Republican Twp | 2.25 | 3.00 | Franklin Twp | 2.25 | 3.00 |
| Union Twp | 2.25 | 3.00 | Highpoint Twp | 2.25 | 3.00 |
| | | | Johnson Twp | 2.25 | 3.00 |
| | | | Nevada Twp | 2.25 | 3.00 |
| | | | Ohio Twp | 2.25 | 3.00 |
| | | | Waring Twp | 2.25 | 3.00 |

| | Rate | Combined Rates (Co. & City or Co. & Twp) | Rate | Combined Rates (Co. & City or Co. & Twp) |
|--------------------------------|------|--|------|--|
| CLOUD COUNTY | 0.75 | | | |
| Cities | | | | |
| Aurora | 2.25 | | | |
| Clyde | 2.25 | | | |
| Jamestown | 2.25 | | | |
| Townships | | | | |
| Arion Twp | 0.5 | | | |
| Aurora Twp | 2.25 | | | |
| Colfax Twp | 2.25 | | | |
| Elk Twp | 0.5 | | | |
| Grant Twp | 1 | | | |
| COFFEY COUNTY | | | | |
| No local units imposing taxes. | | | | |
| COMANCHE COUNTY | | | | |
| No local units imposing taxes. | | | | |
| COWLEY COUNTY | 0.75 | | | |
| Cities | | | | |
| Cambridge | 2.25 | 3.00 | | |
| Townships | | | | |
| Bolton Twp | 2.25 | 3.00 | | |
| Creswell Twp | 2.25 | 3.00 | | |
| Fairview Twp | 2.25 | 3.00 | | |
| Liberty Twp | 2.25 | 3.00 | | |
| Maple Twp | 2.25 | 3.00 | | |
| Ninnescah Twp | 2.25 | 3.00 | | |
| Omnia Twp | 2.25 | 3.00 | | |
| Pleasant Valley Twp | 2.25 | 3.00 | | |
| Rock Creek Twp | 2.25 | 3.00 | | |
| Salem Twp | 2.25 | 3.00 | | |
| Sheridan Twp | 2.25 | 3.00 | | |
| Silverdale Twp | 2.25 | 3.00 | | |
| Vernon Twp | 2.25 | 3.00 | | |
| Walnut Twp | 2.25 | 3.00 | | |
| Windsor Twp | 2.25 | 3.00 | | |
| CRAWFORD COUNTY | | | | |
| No local units imposing taxes. | | | | |
| DECATUR COUNTY | 0 | | | |
| Cities | | | | |
| Clayton | 2.25 | | | |
| Norcatatur | 2.25 | | | |
| Townships | | | | |
| Allison Twp | 2.25 | | | |
| Cook Twp | 2.25 | | | |
| Finley Twp | 2.25 | | | |
| Grant Twp | 2.25 | | | |
| Harlan Twp | 2.25 | | | |
| Liberty Twp | 2.25 | | | |
| Lincoln Twp | 2.25 | | | |
| Logan Twp | 2.25 | | | |
| Lyon Twp | 2.25 | | | |
| Olive Twp | 2.25 | | | |
| Roosevelt Twp | 2.25 | | | |
| Summit Twp | 2.25 | | | |
| NORTON COUNTY | | | 0.75 | |
| Cities | | | | |
| Lenora | | | 0.25 | 1.00 |
| Townships | | | | |
| Highland Twp | | | 0.25 | 1.00 |
| OSAGE COUNTY | | | 0 | |
| Townships | | | | |
| Agency Twp | | | 2.25 | |
| Lincoln Twp | | | 2.25 | |
| Scranton Twp | | | 2.25 | |
| OSBORNE COUNTY | | | 0.75 | |
| Cities | | | | |
| Alton | | | 2.25 | 3.00 |
| Downs | | | 2.25 | 3.00 |
| Natoma | | | 2.25 | 3.00 |
| Portis | | | 2.25 | 3.00 |
| Townships | | | | |
| Bethany Twp | | | 2.25 | 3.00 |
| Bloom Twp | | | 2.25 | 3.00 |
| Corinth Twp | | | 2.25 | 3.00 |
| Covert Twp | | | 2.25 | 3.00 |
| Delhi Twp | | | 2.25 | 3.00 |
| Grant Twp | | | 2.25 | 3.00 |
| Hancock Twp | | | 2.25 | 3.00 |
| Hawkeye Twp | | | 2.25 | 3.00 |
| Independence Twp | | | 2.25 | 3.00 |
| Jackson Twp | | | 2.25 | 3.00 |
| Kill Creek Twp | | | 2.25 | 3.00 |
| Lawrence Twp | | | 2.25 | 3.00 |
| Liberty Twp | | | 2.25 | 3.00 |
| Mt. Ayr Twp | | | 2.25 | 3.00 |
| Natoma Twp | | | 2.25 | 3.00 |
| Penn Twp | | | 2.25 | 3.00 |
| Ross Twp | | | 2.25 | 3.00 |
| Round Mound Twp | | | 2.25 | 3.00 |
| Sumner Twp | | | 2.25 | 3.00 |
| Tilden Twp | | | 2.25 | 3.00 |
| Valley Twp | | | 2.25 | 3.00 |
| Victor Twp | | | 2.25 | 3.00 |
| Winfield Twp | | | 2.25 | 3.00 |
| OTTAWA COUNTY | | | | |
| No local units imposing taxes. | | | | |
| PAWNEE COUNTY | | | 0 | |
| Townships | | | | |
| Conkling Twp | | | 2.25 | |
| Grant Twp | | | 1.25 | |
| Keysville Twp | | | 2.25 | |
| Logan Twp | | | 2.25 | |
| Sawmill Twp | | | 2.25 | |
| Walnut Twp | | | 2.25 | |

| | <u>Rate</u> | <u>Combined Rates (Co. & City or Co. & Twp)</u> | <u>Rate</u> | <u>Combined Rates (Co. & City or Co. & Twp)</u> | |
|--------------------------------|-------------|---|---------------------|---|-------|
| DICKINSON COUNTY | 0.75 | | PHILLIPS COUNTY | 0.75 | |
| Townships | | | Cities | | |
| Banner Twp | 2.25 | 4.50 | Agra | 2.25 | 2.25 |
| Center Twp | 2.25 | 4.50 | Glade | 2.25 | 2.25 |
| Fragrant Hill Twp | 2.25 | 4.50 | Kirwin | 2.25 | 2.25 |
| Hope Twp | 2.25 | 4.50 | Logan | 2.25 | 2.25 |
| Jefferson Twp | 2.25 | 4.50 | Phillipsburg | 2.25 | 2.25 |
| Noble Twp | 2.25 | 4.50 | Prairie View | 2.25 | 2.25 |
| Sherman Twp | 2.25 | 4.50 | Townships | | |
| Union Twp | 2.25 | 4.50 | Arcade Twp | 2.25 | 2.25 |
| Willowdale Twp | 2.25 | 4.50 | Crystal Twp | 2.25 | 2.25 |
| DONIPHAN COUNTY | 0.75 | | Freedom Twp | 2.25 | 2.25 |
| Cities | | | Kirwin Twp | 0.25 | 0.25 |
| Denton | 2.25 | 4.50 | Mound Twp | 0.875 | 0.875 |
| Elwood | 2.25 | 4.50 | Plainview Twp | 2.25 | 2.25 |
| Highland | 2.25 | 4.50 | Plum Twp | 0.125 | 0.125 |
| Severance | 2.25 | 4.50 | Prairie View Twp | 2.25 | 2.25 |
| Troy | 2.25 | 4.50 | Sumner Twp | 2.25 | 2.25 |
| Wathena | 2.25 | 4.50 | POTTAWATOMIE COUNTY | 0 | |
| White Cloud | 2.25 | 4.50 | Townships | | |
| Townships | | | Green Twp | 2.25 | |
| Burr Oak Twp | 2.25 | 4.50 | PRATT COUNTY | 0.75 | |
| Iowa Twp | 2.25 | 4.50 | Townships | | |
| DOUGLAS COUNTY | | | Township #9 | 2.25 | 3.00 |
| No local units imposing taxes. | | | Township#11 | 2.25 | 3.00 |
| EDWARDS COUNTY | 0 | | Township #12 | 1 | 1.75 |
| Cities | | | RAWLINS COUNTY | 0.75 | |
| Offerle | 2.25 | | Cities | | |
| ELK COUNTY | | | Atwood | 2.25 | 3.00 |
| No local units imposing taxes. | | | Herndon | 2.25 | 3.00 |
| ELLIS COUNTY | | | McDonald | 2.25 | 3.00 |
| No local units imposing taxes. | | | Townships | | |
| | | | Achilles Twp | 2.25 | 3.00 |
| | | | Center Twp | 1 | 1.75 |
| | | | Driftwood Twp | 1 | 1.75 |
| | | | Herl Twp | 2.25 | 3.00 |
| | | | Ludell Twp | 2 | 2.75 |
| | | | Rocewood Twp | 1 | 1.75 |
| | | | Union Twp | 2.25 | 3.00 |

| | Rate | Combined Rates (Co. & City or Co. & Twp) | | Rate | Combined Rates (Co. & City or Co. & Twp) |
|--------------------------------|------|--|------------------|------|--|
| ELLSWORTH COUNTY | 0.75 | | | | |
| Townships | | | | | |
| Ash Creek Twp | 2.25 | 3.00 | RENO COUNTY | 0.75 | |
| Black Wolf Twp | 2.25 | 3.00 | Cities | | |
| Columbia Twp | 2.25 | 3.00 | Partridge | 2.25 | 3.00 |
| Empire Twp | 2.25 | 3.00 | Plevna | 2.25 | 3.00 |
| Garfield Twp | 2.25 | 3.00 | Pretty Prairie | 2.25 | 3.00 |
| Mulberry Twp | 2.25 | 3.00 | Sylvia | 2.25 | 3.00 |
| Thomas Twp | 2.25 | 3.00 | Willowbrook | 2.25 | 3.00 |
| Trivoli Twp | 2.25 | 3.00 | Townships | | |
| | | | Albion Twp | 2.25 | 3.00 |
| FINNEY COUNTY | | | Arlington Twp | 2.25 | 3.00 |
| No local units imposing taxes. | | | Bell Twp | 2.25 | 3.00 |
| | | | Castleton Twp | 2.25 | 3.00 |
| FORD COUNTY | 0 | | Enterprise Twp | 2.25 | 3.00 |
| Townships | | | Hayes Twp | 2.25 | 3.00 |
| Bloom Twp | 2.25 | | Lincoln Twp | 2.25 | 3.00 |
| Bucklin Twp | 2.25 | | Little River Twp | 2.25 | 3.00 |
| Concord Twp | 2.25 | | Medford Twp | 2.25 | 3.00 |
| Ford Twp | 2.25 | | Medora Twp | 2.25 | 3.00 |
| Richland Twp | 2.25 | | Miami Twp | 2.25 | 3.00 |
| Sodville Twp | 2.25 | | Ninnescah Twp | 2.25 | 3.00 |
| Spearville Twp | 2.25 | | Plevna Twp | 2.25 | 3.00 |
| Wheatland Twp | 2.25 | | Reno Twp | 2.25 | 3.00 |
| | | | Roscoe Twp | 2.25 | 3.00 |
| FRANKLIN COUNTY | | | Sumner Twp | 2.25 | 3.00 |
| No local units imposing taxes. | | | Troy Twp | 2.25 | 3.00 |
| | | | Valley Twp | 2.25 | 3.00 |
| GEARY COUNTY | | | Walnut Twp | 2.25 | 3.00 |
| No local units imposing taxes. | | | | | |
| | | | REPUBLIC COUNTY | 0.75 | |
| GOVE COUNTY | 0.75 | | Cities | | |
| Cities | | | Agenda | 2.25 | 3.00 |
| Gove | 2.25 | 3.00 | Cuba | 2.25 | 3.00 |
| Grainfield | 2.25 | 3.00 | Munden | 2.25 | 3.00 |
| Grinnell | 2.25 | 3.00 | Narka | 2.25 | 3.00 |
| Park | 0.75 | 1.50 | Scandia | 2.25 | 3.00 |
| Quinter | 2.25 | 3.00 | Townships | | |
| Townships | | | Liberty Twp | 1 | 1.75 |
| Baker Twp | 2.25 | 3.00 | | | |
| Gove Twp | 2.25 | 3.00 | RICE COUNTY | 0 | |
| Grainfield Twp | 2.25 | 3.00 | Townships | | |
| Grinnell Twp | 2.25 | 3.00 | Bell Twp | 2.25 | |
| | | | Center Twp | 2.25 | |
| GRAHAM COUNTY | 0.75 | | Eureka Twp | 2.25 | |
| Townships | | | Lincoln Twp | 2.25 | |
| Allodium Twp | 2.25 | 3.00 | Mitchell Twp | 2.25 | |
| Bryant Twp | 2.25 | 3.00 | Pioneer Twp | 2.25 | |
| Gettysburg Twp | 2.25 | 3.00 | Rockville Twp | 2.25 | |
| Graham Twp | 2.25 | 3.00 | Sterling Twp | 2.25 | |
| Happy Twp | 2.25 | 3.00 | Union Twp | 2.25 | |
| Indiana Twp | 2.25 | 3.00 | Valley Twp | 2.25 | |
| Millbrook Twp. | 2.25 | 3.00 | | | |
| Nicodemus Twp | 2.25 | 3.00 | | | |
| Pioneer Twp | 2.25 | 3.00 | | | |
| Solomon Twp | 2.25 | 3.00 | | | |

| | Rate | Combined Rates (Co. & City or Co. & Twp) | | Rate | Combined Rates (Co. & City or Co. & Twp) |
|--------------------------------|------|--|--------------------------------|------|--|
| GRANT COUNTY | | | RILEY COUNTY | 0.75 | |
| No local units imposing taxes. | | | Cities | | |
| GRAY COUNTY | 0.75 | | Leonardville | 2.25 | 2.25 |
| Cities | | | Riley | 2.25 | 2.25 |
| Cimarron | 2.25 | 4.50 | Townships | | |
| Copeland | 2.25 | 4.50 | Ashland Twp | 2.25 | 2.25 |
| Ensign | 2.25 | 4.50 | Bala Twp | 2.25 | 2.25 |
| Ingalls | 2.25 | 4.50 | Center Twp | 2.25 | 2.25 |
| Townships | | | Fancy Creek Twp | 2.25 | 2.25 |
| Cimarron Twp | 2.25 | 4.50 | Jackson Twp | 2.25 | 2.25 |
| Copeland Twp | 2.25 | 4.50 | Madison Twp | 1 | 1.00 |
| East Hess Twp | 2.25 | 4.50 | Manhattan Twp | 2.25 | 2.25 |
| Foote Twp | 2.25 | 4.50 | May Day Twp | 2.25 | 2.25 |
| Montezuma Twp | 2.25 | 4.50 | Ogden Twp | 2.25 | 2.25 |
| GREELEY COUNTY | 0 | | Swede Creek Twp | 2.25 | 2.25 |
| Cities | | | Wildcat Twp | 2.25 | 2.25 |
| Tribune | 2.25 | | Zeandale Twp | 2.25 | 2.25 |
| GREENWOOD COUNTY | | | ROOKS COUNTY | | |
| No local units imposing taxes. | | | No local units imposing taxes. | | |
| HAMILTON COUNTY | | | RUSH COUNTY | 0 | |
| No local units imposing taxes. | | | Cities | | |
| HARPER COUNTY | 0 | | Alexander | 2.25 | |
| Cities | | | La Crosse | 2.25 | |
| Bluff City | 2.25 | | Rush Center | 2.25 | |
| Waldron | 2.25 | | Townships | | |
| Townships | | | Alexander-Belle Prairie Twp | 2.25 | |
| Township #2 | 2.25 | | Big Timber Twp | 2.25 | |
| Township #3 | 2.25 | | Center Twp | 2.25 | |
| Township #4 | 2.25 | | La Crosse-Brookdale Twp | 2.25 | |
| HARVEY COUNTY | 0 | | RUSSELL COUNTY | 0 | |
| Cities | | | Cities | | |
| North Newton | 2 | | Lucas | 2.25 | |
| Walton | 2.25 | | Luray | 2.25 | |
| Townships | | | Waldo | 2.25 | |
| Alta Twp | 2.25 | | Townships | | |
| Emma Twp | 2.25 | | Big Creek Twp | 2 | |
| Garden Twp | 2.25 | | Fairfield Twp | 2.25 | |
| Highland Twp | 2.25 | | Fairview Twp | 2.25 | |
| Lake Twp | 2.25 | | Lincoln Twp | 2.25 | |
| Newton Twp | 2.25 | | Luray Twp | 2.25 | |
| Sedgwick Twp | 2.25 | | Waldo Twp | 2.25 | |
| HASKELL COUNTY | | | Winterset Twp | 2.25 | |
| No local units imposing taxes. | | | SALINE COUNTY | | |
| HODGEMAN COUNTY | | | No local units imposing taxes. | | |
| No local units imposing taxes. | | | SCOTT COUNTY | | |
| JACKSON COUNTY | | | No local units imposing taxes. | | |
| No local units imposing taxes. | | | SEDGWICK COUNTY | 0 | |
| | | | Townships | | |
| | | | Lincoln Twp | 2.25 | |

| | <u>Rate</u> | <u>Combined Rates (Co. & City or Co. & Twp)</u> | <u>Rate</u> | <u>Combined Rates (Co. & City or Co. & Twp)</u> | |
|--------------------------------|-------------|---|--------------------------------|---|------|
| JEFFERSON COUNTY | 0 | | SEWARD COUNTY | | |
| Cities | | | No local units imposing taxes. | | |
| Nortonville | 2.25 | | | | |
| JEWELL COUNTY | 0.75 | | SHAWNEE COUNTY | | |
| Cities | | | No local units imposing taxes. | | |
| Burr Oak | 2.25 | 4.50 | SHERIDAN COUNTY | | |
| Esbon | 2.25 | 4.50 | No local units imposing taxes. | | |
| Jewell | 2.25 | 4.50 | | | |
| Mankato | 2.25 | 4.50 | SHERMAN COUNTY | 0 | |
| Townships | | | Townships | | |
| Athens Twp | 0.5 | 2.75 | Lincoln Twp | 2.25 | |
| Burr Oak Twp | 2.25 | 4.50 | | | |
| Esbon Twp | 2.25 | 4.50 | SMITH COUNTY | 0.75 | |
| Grant Twp | 2.25 | 4.50 | Cities | | |
| Harrison Twp | 1 | 3.25 | Athol | 2.25 | 3.00 |
| Highland Twp | 1 | 3.25 | Cedar | 2.25 | 3.00 |
| Holmwood Twp | 0.25 | 2.50 | Gaylord | 2.25 | 3.00 |
| Ionia Twp | 0.25 | 2.50 | Kensington | 2.25 | 3.00 |
| Jackson Twp | 0.25 | 2.50 | Lebanon | 2.25 | 3.00 |
| Limestone Twp | 2.25 | 4.50 | Smith Center | 2.25 | 3.00 |
| Odessa Twp | 1 | 3.25 | Townships | | |
| Vicksburg Twp | 2.25 | 4.50 | Banner Twp | 2.25 | 3.00 |
| Walnut Twp | 2.25 | 4.50 | Beaver Twp | 2.25 | 3.00 |
| Whitemound Twp | 2.25 | 4.50 | Blaine Twp | 2.25 | 3.00 |
| | | | Cedar Twp | 2.25 | 3.00 |
| JOHNSON COUNTY | 0 | | Center Twp | 2.25 | 3.00 |
| Cities | | | Cora Twp | 2.25 | 3.00 |
| Mission Hills | 0.25 | | Crystal Plains Twp | 2.25 | 3.00 |
| | | | Dor Twp | 0.5 | 1.25 |
| KEARNY COUNTY | 0 | | Garfield Twp | 2.25 | 3.00 |
| Cities | | | German Twp | 2.25 | 3.00 |
| Deerfield | 2.25 | | Harlan Twp | 2.25 | 3.00 |
| | | | Houston Twp | 2.25 | 3.00 |
| KINGMAN COUNTY | | | Lane Twp | 2.25 | 3.00 |
| No local units imposing taxes. | | | Lincoln Twp | 2.25 | 3.00 |
| | | | Logan Twp | 2.25 | 3.00 |
| KIOWA COUNTY | | | Martin Twp | 2.25 | 3.00 |
| No local units imposing taxes. | | | Oak Twp | 2.25 | 3.00 |
| | | | Pawnee Twp | 2.25 | 3.00 |
| LABETTE COUNTY | 0 | | Pleasant Twp | 2.25 | 3.00 |
| Cities | | | Swan Twp | 2.25 | 3.00 |
| Mound Valley | 2.25 | | Valley Twp | 2.25 | 3.00 |
| | | | Webster Twp | 2.25 | 3.00 |
| | | | White Rock Twp | 1 | 1.75 |

| | <u>Rate</u> | <u>Combined Rates (Co. & City or Co. & Twp)</u> | | <u>Rate</u> | <u>Combined Rates (Co. & City or Co. & Twp)</u> |
|--------------------------------|-------------|---|--------------------------------|-------------|---|
| LANE COUNTY | 0.75 | | STAFFORD COUNTY | 0 | |
| Townships | | | Cities | | |
| Dighton Twp | 2.25 | 3.00 | Hudson | 2.25 | |
| White Rock Twp | 2.25 | 3.00 | Stafford | 2.25 | |
| LEAVENWORTH COUNTY | | | Townships | | |
| No local units imposing taxes. | | | Albano Twp | 2.25 | |
| LINCOLN COUNTY | 0.75 | | East Cooper Twp | 2.25 | |
| Cities | | | Fairview Twp | 2.25 | |
| Beverly | 2.25 | 4.50 | Ohio Twp | 2.25 | |
| Lincoln | 2.25 | 4.50 | Richland Twp | 2.25 | |
| Townships | | | Stafford Twp | 2.25 | |
| Beaver Twp | 0.5 | 2.75 | Union Twp | 2.25 | |
| Franklin Twp | 2.25 | 4.50 | West Cooper Twp | 2.25 | |
| Indiana Twp | 0.5 | 2.75 | STANTON COUNTY | | |
| Pleasant Twp | 2.25 | 4.50 | No local units imposing taxes. | | |
| Salt Creek Twp | 2.25 | 4.50 | STEVENS COUNTY | | |
| Scott Twp | 1 | 3.25 | No local units imposing taxes. | | |
| LINN COUNTY | | | SUMNER COUNTY | 0 | |
| No local units imposing taxes. | | | Townships | | |
| LOGAN COUNTY | 0.75 | | Avon Twp | 2.25 | |
| Cities | | | Belle Plaine Twp | 2.25 | |
| Russell Springs | 2.25 | 4.50 | Bluff Twp | 2.25 | |
| Winona | 2.25 | 4.50 | Caldwell Twp | 2.25 | |
| Townships | | | Chikaskia Twp | 2.25 | |
| Elkader Twp | 2.25 | 4.50 | Downs Twp | 2.25 | |
| Lees Twp | 2.25 | 4.50 | Falls Twp | 2.25 | |
| Logansport Twp | 2.25 | 4.50 | Greene Twp | 2.25 | |
| Oakley Twp | 2.25 | 4.50 | Guelph Twp | 2.25 | |
| Russell Springs Twp | 2.25 | 4.50 | Harmon Twp | 2.25 | |
| Western Twp | 2.25 | 4.50 | Jackson Twp | 2.25 | |
| LYON COUNTY | | | London Twp | 2.25 | |
| No local units imposing taxes. | | | Morris Twp | 2.25 | |
| MARION COUNTY | 0.75 | | Oxford Twp | 2.25 | |
| Cities | | | Ryan Twp | 2.25 | |
| Goessel | 2.25 | 4.50 | South Haven Twp | 2.25 | |
| Peabody | 1.125 | 3.375 | THOMAS COUNTY | 0 | |
| Townships | | | Cities | | |
| Clark Twp | 2.25 | 4.50 | Gem | 2.25 | |
| Fairplay Twp | 1.125 | 3.375 | Townships | | |
| Menno Twp | 2.25 | 4.50 | North Randall Twp | 2.25 | |
| Peabody Twp | 2.25 | 4.50 | Rovohl Twp | 2.25 | |
| Summit Twp | 2.25 | 4.50 | South Randall Twp | 2.25 | |
| West Branch Twp | 2.25 | 4.50 | TREGO COUNTY | | |
| | | | No local units imposing taxes. | | |

| | <u>Rate</u> | <u>Combined Rates (Co. & City or Co. & Twp)</u> | | <u>Rate</u> | <u>Combined Rates (Co. & City or Co. & Twp)</u> |
|----------------------|-------------|---|--------------------------------|-------------|---|
| MARSHALL COUNTY | 0.75 | | WABAUNSEE COUNTY | 0 | |
| Cities | | | Townships | | |
| Axtell | 2.25 | 4.50 | Farmer Twp | 0.5 | |
| Blue Rapids | 2.25 | 4.50 | Maple Hill Twp | 2.25 | |
| Marysville | 2.25 | 4.50 | WALLACE COUNTY | 0.75 | |
| Oketo | 2.25 | 4.50 | Townships | | |
| Summerfield | 2.25 | 4.50 | Harrison Twp | 2.25 | 3.00 |
| Vermillion | 2.25 | 4.50 | Weskan Twp | 2.25 | 3.00 |
| Waterville | 2.25 | 4.50 | WASHINGTON COUNTY | 0.75 | |
| Townships | | | Cities | | |
| Balderson Twp | 2.25 | 4.50 | Haddam | 2.25 | 3.00 |
| Bigelow Twp | 2.25 | 4.50 | Hanover | 2.25 | 3.00 |
| Blue Rapids City Twp | 2.25 | 4.50 | Linn | 2.25 | 3.00 |
| Center Twp | 2.25 | 4.50 | Palmer | 2.25 | 3.00 |
| Clear Fork Twp | 2.25 | 4.50 | Washington | 2.25 | 3.00 |
| Cleveland Twp | 2.25 | 4.50 | Townships | | |
| Cottage Hill Twp | 2.25 | 4.50 | Brantford Twp | 2.25 | 3.00 |
| Elm Creek Twp | 2.25 | 4.50 | Charleston Twp | 2.25 | 3.00 |
| Franklin Twp | 2.25 | 4.50 | Coleman Twp | 2.25 | 3.00 |
| Guittard Twp | 2.25 | 4.50 | Farmington Twp | 2.25 | 3.00 |
| Herkimer Twp | 2.25 | 4.50 | Grant Twp | 2.25 | 3.00 |
| Logan Twp | 2.25 | 4.50 | Greenleaf Twp | 2.25 | 3.00 |
| Marysville Twp | 2.25 | 4.50 | Haddam Twp | 2.25 | 3.00 |
| Murray Twp | 2.25 | 4.50 | Hanover Twp | 2.25 | 3.00 |
| Noble Twp | 2.25 | 4.50 | Highland Twp | 2.25 | 3.00 |
| Oketo Twp | 2.25 | 4.50 | Independence Twp | 2.25 | 3.00 |
| Richland Twp | 2.25 | 4.50 | Kimeo Twp | 2.25 | 3.00 |
| Rock Twp | 2.25 | 4.50 | Lincoln Twp | 2.25 | 3.00 |
| St. Bridget Twp | 2.25 | 4.50 | Linn Twp | 2.25 | 3.00 |
| Walnut Twp | 2.25 | 4.50 | Little Blue Twp | 2.25 | 3.00 |
| Waterville Twp | 2.25 | 4.50 | Logan Twp | 2.25 | 3.00 |
| McPHERSON COUNTY | 0.75 | | Mill Creek Twp | 2.25 | 3.00 |
| Townships | | | Sheridan Twp | 2.25 | 3.00 |
| Bonaville Twp | 2.25 | 4.50 | Sherman Twp | 2.25 | 3.00 |
| Delmore Twp | 2.25 | 4.50 | Strawberry Twp | 2.25 | 3.00 |
| Empire Twp | 1 | 3.25 | Union Twp | 2.25 | 3.00 |
| Groveland Twp | 2.25 | 4.50 | WICHITA COUNTY | | |
| Gypsum Creek Twp | 2.25 | 4.50 | No local units imposing taxes. | | |
| Harper Twp | 2.25 | 4.50 | WILSON COUNTY | | |
| Jackson Twp | 2.25 | 4.50 | No local units imposing taxes. | | |
| King City Twp | 2.25 | 4.50 | WOODSON COUNTY | | |
| Little Valley Twp | 2.25 | 4.50 | No local units imposing taxes. | | |
| Lone Tree Twp | 2.25 | 4.50 | WYANDOTTE COUNTY | | |
| Marquette Twp | 2.25 | 4.50 | No local units imposing taxes. | | |
| McPherson Twp | 2.25 | 4.50 | | | |
| Meridian Twp | 2.25 | 4.50 | | | |

City Franchise Tax

Enacted: 1972 (temporary), reenacted in 1973 and 1978 (franchise taxes predate city constitutional home rule powers and the current statutory limitations on such taxes).

Statutory Citation: KSA 12-194 and 12-2001 *et seq.*

Administration and Collection: Local, as provided by home rule ordinance.

Tax Base: Locally determined, by home rule ordinance. KSA 12-194 allows utility franchise taxes to be based upon “a percentage of gross receipts derived from the service permitted by grant, right, privilege or franchise to such utility,” but

utilities subject to a city franchise tax may not be made subject to a city occupation tax or license fee.

Disposition of Revenue: Locally determined, by home rule ordinance.

Extent of Use: There is no central collection or reporting of franchise tax collections, so no official collection data exists. However, according to data from a 1996 article in the *Kansas Government Journal* entitled, “1995 City Tax Rates for 1996,” the average franchise fee per capita in the 124 cities with reported data was \$17.04.

City Occupation Tax

Enacted: 1972 (temporary), reenacted in 1973 and 1978 (occupation taxes predate city constitutional home rule powers and the current statutory limitations on such taxes).

Statutory Citation: KSA 12-194 allows occupation taxes, within specified limits, enacted under constitutional city home rule authority (Art. 12, Sec. 5).

Administration and Collection: Local, as provided by home rule ordinance.

Tax Base: Locally determined, by home rule ordinance, but KSA 12-194 prohibits any occupation tax or license fee from being based “upon any amount the licensee

has received from the sale or transfer of personal or real property, or for the rendering or furnishing of a service, or on the income of the licensee, and such a tax may not be imposed on a utility subject to a city franchise tax.”

Rate of Tax: Locally determined, by home rule ordinance.

Disposition of Revenue: Locally determined, by home rule ordinance.

Extent of Use: There is no central collection or reporting of franchise tax collections, so no official collection data exists.

Transient Guest Tax

Enacted: 1975, only for Sedgwick County and cities therein; 1977, for all cities and counties.

Statutory Citation: KSA, Ch. 12, Art. 16.

Administration and Collection: Department of Revenue, Division of Taxation. State retains 2 percent of gross receipts as administration fee. State Treasurer remits net proceeds at least quarterly.

Collection Period: Monthly by 25th day of month following collection.

Tax Base: Gross receipts derived from or paid by transient guests for sleeping accommodations in any hotel, motel, or tourist court, whether paid directly or through an accommodations broker.

Tax Rate: Not to exceed 2 percent; however, a number of cities and counties impose rates well in excess of 2 percent by virtue of home rule.

Disposition of Revenues: To the “tourism and convention promotion fund” of the jurisdiction levying tax, less 2 percent retained by the state for administration.

Extent of Use: As of October 1, 2000, 62 cities and 27 counties were imposing taxes collected by the state. Woodson County also imposed a tax collected and administered at the local level.

Net Collections:*

| | (\$ in thousands) | | | |
|---------|-------------------|-----------|---------------|-----------|
| | Counties | Cities | State's Share | Total |
| FY 2000 | \$ 1,090 | \$ 15,637 | \$ 341 | \$ 17,068 |
| FY 1999 | 1,052 | 15,506 | 338 | 16,896 |
| FY 1998 | 960 | 13,105 | 287 | 14,352 |
| FY 1997 | 885 | 11,691 | 257 | 12,833 |
| FY 1996 | 818 | 11,175 | 245 | 12,238 |

* Exclusive of any collections from Woodson County's tax.

Transient Guest Taxes as of October 1, 2000*

| Counties | Rate | Cities | Rate |
|-----------------|-------|----------------|-------|
| Chase County | 2.00% | Abilene | 5.00% |
| Cherokee County | 2.00% | Andover | 5.00% |
| Clay County | 2.00% | Arkansas City | 4.00% |
| Cloud County | 2.00% | Atchison | 4.00% |
| Coffey County | 3.00% | Atwood | 3.00% |
| Crawford County | 2.00% | Belleville | 2.00% |
| Finney County | 4.00% | Bonner Springs | 2.00% |
| Franklin County | 4.00% | Chanute | 3.00% |
| Geary County | 5.00% | Colby | 3.00% |
| Grant County | 2.00% | DeSoto | 4.00% |
| Jackson County | 3.00% | Dodge City | 6.00% |
| Labette County | 2.00% | El Dorado | 5.00% |
| Lyon County | 2.00% | Ellsworth | 3.00% |

| Counties | Rate | Cities | Rate |
|-------------------|-------|----------------|-------|
| Marshall County | 2.00% | Emporia | 4.00% |
| Mitchell County | 2.00% | Eureka | 2.00% |
| Montgomery County | 2.00% | Fort Scott | 3.00% |
| Morris County | 4.00% | Gardner | 4.00% |
| Osborne County | 1.00% | Garnett | 3.00% |
| Phillips County | 2.00% | Great Bend | 3.00% |
| Pratt County | 4.00% | Greensburg | 3.00% |
| Rice County | 2.00% | Hays | 4.00% |
| Russell County | 4.00% | Hesston | 3.00% |
| Sedgwick County | 5.00% | Hiawatha | 2.00% |
| Sherman County | 3.00% | Hillsboro | 3.00% |
| Trego County | 2.00% | Hutchinson | 7.00% |
| Washington County | 2.00% | Iola | 3.00% |
| Wilson County | 2.00% | Kansas City | 6.00% |
| Woodson County* | 2.00% | Kingman | 6.00% |
| | | Kinsley | 2.00% |
| | | Lansing | 4.00% |
| | | Larned | 3.00% |
| | | Lawrence | 4.00% |
| | | Leavenworth | 4.00% |
| | | Lenexa | 4.00% |
| | | Liberal | 4.00% |
| | | Lindsborg | 4.00% |
| | | Manhattan | 5.00% |
| | | Marysville | 2.00% |
| | | McPherson | 3.00% |
| | | Medicine Lodge | 2.00% |
| | | Merriam | 5.00% |
| | | Newton | 5.00% |
| | | Norton | 3.00% |
| | | Oakley | 2.50% |
| | | Oberlin | 2.00% |
| | | Olathe | 4.00% |
| | | Osawatomie | 2.00% |
| | | Overland Park | 6.00% |
| | | Paola | 3.00% |
| | | Park City | 6.00% |
| | | Pratt | 4.00% |
| | | S. Hutchinson | 4.00% |
| | | Salina | 5.00% |
| | | Sharon Springs | 4.00% |
| | | Shawnee | 4.00% |
| | | Strong City | 2.00% |
| | | Topeka | 5.00% |
| | | WaKeeney | 2.00% |
| | | Wamego | 2.00% |
| | | Wellington | 4.00% |
| | | Wichita | 6.00% |
| | | Winfield | 4.00% |

| Counties | Rate | Cities | Rate |
|----------|------|--------|------|
|----------|------|--------|------|

* **Note:** Unlike local sales taxes, transient guest taxes may not be imposed by cities and counties at the same time. For example, Sedgwick County's 5 percent tax does not apply within Wichita, where the city imposes a 6 percent tax. Woodson County is also believed to be imposing a tax at the 2 percent rate. A 1999 charter resolution required the county treasurer, not the state, to collect the tax.

Emergency Telephone Service (911) Tax

Enacted: 1980; imposition of the tax by a county or city is subject to a protest petition and referendum.

Statutory Citation: KSA, Ch. 12, Art. 53.

Administration: Tax collected by telephone service supplier and remitted to city or county imposing the tax.

Collection Period: Tax due quarterly; telephone service supplier is required to remit tax to city or county no later than 60 days after the close of a calendar quarter, and is entitled to retain a 2 percent administrative fee.

Tax Base: Exchange access lines or their equivalent; no tax on more than 100 exchange access facilities or their equivalent per person per location. Wireless service users are exempt from the tax.

Present Rate: Not to exceed \$0.75 per month per exchange access line or its equivalent.

History of Tax Rates: The present rate has been in effect since the enactment of the tax.

Disposition of Revenue: To city or county imposing the tax; may be used to pay for the following:

- the monthly recurring charges billed by the service supplier for the emergency telephone service;
- initial installation/ service establishment/ nonrecurring start-up charges billed by the service supplier for the emergency telephone service;
- charges for capital improvements and equipment or other physical enhancements to the emergency telephone system; or
- the acquisition and installation of road signs designed to aid in the delivery of emergency services.

Note: The 2000 Legislature created a task force to develop a strategy for funding and deploying wireless emergency service. The task force will submit a report to the statutorily identified legislative committees during the first week of the 2001 Legislature with its recommendations and any proposed legislation.

Net Collections: No central collection or reporting of receipts. According to a 1999 audit by the Legislative Division of Post Audit, approximately \$9.7 million in 911 taxes were collected in 1998.

City Vehicle Tax

Enacted: 1967 law authorized cities to impose, subject to voter approval.

Statutory Citation: KSA, Ch. 12, Art. 1.

Administration and Collection: Local, as provided by ordinance.

Tax Base: Motor vehicles usually kept, garaged, or stored within the city during night, weekends, and holidays, irrespective of legal residence of owner.

Rate of Tax: \$5 or \$10 per vehicle.

Disposition of Revenues: Earmarked for improvement of highways and regulation of vehicular traffic thereon.

Extent of Use: None as of November 2000. (Tax is believed to never have been imposed.)

Development Excise Tax

Approved: Court determined in 1996 that establishment of a development excise tax was a lawful use of city home-rule powers. *HBA v. City of Overland Park, 22 Kan. App. 2d 649, 921 P. 2d 234 (1996)*. Overland Park's tax was implemented in 1994.

Statutory Citation: Not applicable.

Administration and Collection: City government.

Tax Base: Tax is imposed on the act of platting real property.

Present Rates: Locally determined. Generally expressed in cents per square foot of residential and/or commercial development.

Disposition of Revenue: Locally determined.

Extent of Use: As of February 2000, taxes were believed to be imposed by at least five cities: DeSoto, Lenexa, Olathe, Overland Park, and Shawnee. Voters in Derby repealed a tax in January 2000.

Net Collections: No central collection or reporting of receipts.

MAJOR STATE TAXES NO LONGER IN EFFECT

Ton-Mile Tax (Motor Carriers)

Enacted: 1931; (1925 law had required certificated carriers to pay additional annual fees to county treasurer, based on carrying capacity).

Statutory Citation: G.S. 1949 and 1953 Supp., Ch. 66, Art. 1; repealed in 1955, effective January 1, 1956.

Administration and Collection: Kansas Corporation Commission (regular carriers); Ports of Entry (irregular carriers).

Collection Period: Annual deposits were required to be made with KCC as a credit against the tax. When the tax charged had equaled such credit, the motor carriers were required to make monthly payments, on or before the 15th day, of the amount due for preceding month.

Tax Base: Gross ton-miles operated by public or contract carriers of property or passengers and by private carriers of property.

Tax Rate at Time Law Repealed: 0.5 mill per gross ton-mile.

History of Tax Rates: No changes made.

Disposition of Revenue: 10 percent to KCC for administration; fixed amount as determined by the Legislature from time-to-time to State Highway Patrol; balance to State Highway Fund.

Net Collections: \$3.5 million in FY 1955, the last full year the tax was in effect.

Corporation Alternative Minimum Tax (AMT)

Enacted: 1988 (but first year of imposition was to be tax year 1989).

Statutory Citation: KSA 1988 Supp. 79-32,183 to 79-32,187, inclusive; repealed in 1989.

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

Collection Period: Tax was to be imposed for each taxable year subject to rules and regulations promulgated by the Secretary of Revenue.

Tax Base: The Kansas alternative minimum taxable income of a corporation,

which was to be computed by taking a corporation's federal alternative minimum taxable income and making certain deductions and modifications.

Tax Rate: 4 percent, with a credit allowed against the "regular" corporation income tax.

Disposition of Revenue: To State General Fund.

Net Collections: No revenues received prior to repeal of the law. Estimates were that the tax would have raised approximately \$6.0 million annually.

Inheritance Tax

Enacted: 1909; repealed 1913; re-enacted 1915; revised in 1919 and 1978.

Repealed: 1998.

Statutory Citation: KSA, Ch. 79, Art. 15.

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

Collection Period: Tax was due at the expiration of nine months after the death of the decedent.

Tax Base: The tax was imposed on the interests received by beneficiaries from a decedent's estate, less exemptions, and was based primarily on the relationship of the beneficiary to the decedent.

Rates, Exemptions, and Exclusions: The rates and exemptions in effect in 1998 for the three classes of distributees are summarized in the following table:

| Value of Share Above Exemption* | | Class A—Children, Lineal Relations | | Class B—Brothers and Sisters | | Class C—All Others | |
|---------------------------------|-----------|------------------------------------|----------------|------------------------------|----------------|--------------------|----------------|
| | | Tax on Col. 1 | Rate on Excess | Tax on Col. 1 | Rate on Excess | Tax on Col. 1 | Rate on Excess |
| (1) | (2) | | | | | | |
| \$ 0 | \$ 25,000 | \$ 0 | 1.0% | \$ 0 | 3.0% | \$ 0 | 10.0% |
| 25,000 | 50,000 | 250 | 2.0 | 750 | 5.0 | 2,500 | 10.0 |
| 50,000 | 100,000 | 750 | 3.0 | 2,000 | 7.5 | 5,000 | 10.0 |
| 100,000 | 200,000 | 2,250 | 4.0 | 5,750 | 10.0 | 10,000 | 12.0 |
| 200,000 | 500,000 | 6,250 | 4.0 | 15,750 | 10.0 | 22,000 | 15.0 |
| 500,000 | 0 | 18,250 | 5.0 | 45,750 | 12.5 | 67,000 | 15.0 |

*** Exemptions:**

Class A—lineal ancestors and descendants, adopted children, etc., \$30,000 exemption.

Class B—brothers and sisters, \$5,000 exemption.

Class C—all others, no exemption.

Property left to a surviving spouse or to a charity was exempt from the inheritance tax.

Note: Exemptions are prorated when there are assets located outside Kansas. No tax is due on any class if the share is less than \$200, after deduction of the exemptions.

Disposition of Revenues: To State General Fund.

Wheat Tax

Enacted: 1957.

Repealed: 2000. The 2000 Legislature repealed the wheat tax and replaced it with a wheat assessment such as that on other grains in legislation privatizing the Wheat Commission.

Statutory Citation: KSA, Ch. 2, Art. 26.

Administration and Collection: Kansas Wheat Commission.

Collection Period: Tax must be paid to the Commission on or before the 20th day of the month following the date of settlement between the purchaser and grower. (Tax is deducted by first purchaser from the price paid to the grower.)

Tax Base: Wheat marketed through commercial channels in Kansas, including wheat acquired by a grower under the provisions of a federal payment-in-kind (PIK) program.

Rate of Tax: 10 mills per bushel. (Established by the Wheat Commission)

History of Tax Rates:

June 1, 1957 – 2 mills per bushel (statutory)
June 1, 1979 – 3 mills per bushel (statutory)

June 1, 1982 – 4 mills per bushel (statutory)
June 1, 1988 – 7 mills per bushel (established by Wheat Commission)
April 22, 1996 – 10 mills per bushel (established by Wheat Commission)

(Note: The Legislature, in 1988, authorized the Wheat Commission to set the levy at not more than 10 mills per bushel.)

Disposition of Revenue: Effective July 1, 1988 – to State General Fund, that portion of \$100,000 which equals the Wheat Commission's proportion of the total amounts credited to the wheat, corn, grain, sorghum, and soybean commissions in the preceding fiscal year; remainder to Wheat Commission.

Net Collections:*

(\$ in thousands)

| | | |
|---------|----|-------|
| FY 2000 | \$ | 3432 |
| FY 1999 | | 4,052 |
| FY 1998 | | 3,294 |
| FY 1997 | | 1,929 |
| FY 1996 | | 1,587 |

* After refunds.

Privilege (Income) Tax – Domestic Insurance Companies

Enacted: 1970, effective January 1, 1971, in lieu of intangibles tax and certain local taxes.

Repealed: Tax Year 1998.

Statutory Citation: KSA, Ch. 40, Art. 28.

Administration and Collection: Commissioner of Insurance.

Collection Period: Tax was due on same date as the company's federal income tax return.

Tax Base: Net income, as defined by the law, for the preceding calendar year. The tax did not apply to nonprofit hospital and medical service corporations or to fraternal benefit societies and other companies exempt from state regulation (see KSA 40-202).

Present Rates: 5 percent.

Disposition of Revenues: To State General Fund. Local sharing in the receipts from this tax was eliminated in 1978 with the creation of the County and City Revenue Sharing Fund.

Net Collections:

(\$ in thousands)

| | | |
|---------|----|---------|
| FY 2000 | \$ | (5) |
| FY 1999 | | (1,191) |
| FY 1998 | | 2,113 |
| FY 1997 | | 1,001 |
| FY 1996 | | 1,025 |

Note: Tax was repealed by 1997 legislation. Net collections in subsequent years was attributable to refunds.

MAJOR LOCAL TAXES NO LONGER AUTHORIZED

Local Earnings Tax

Enacted: 1970 Legislature authorized imposition by counties or cities, subject to voter approval. City could not impose if countywide tax was in effect. Subsequent countywide tax would have suspended city-imposed tax.

Repealed: 1972.

Statutory Citation: KSA, Ch. 79, Art. 44.

Administration and Collection: Department of Revenue was to collect and State Treasurer was to remit to levying units at least quarterly.

Collection Period: Same as state income and privilege taxes. State withholding and declaration requirements would have applied.

Tax Base: Kansas taxable income of resident and nonresident individuals, corporations, and financial institutions

(privilege tax measured by net income) as defined in state income and financial institution privilege tax laws. Law included provision for apportionment if business income could be subject to more than one local earnings tax, and for credit where individual earnings were subject to more than one local earnings tax, *e.g.*, where tax was imposed at both place of residence and place of work.

Rate of Tax: 2 percent.

Disposition of Revenue: Revenue from countywide tax was to be apportioned among the county, cities, school districts, and community junior colleges in proportion to their tangible property tax levies (excluding bond and interest) for previous year. Revenue from city tax was to be remitted to the city levying the tax.

Extent of Use: None.

Motor Vehicle Dealers' Stamp Tax

Enacted: 1978, effective January 1, 1979.

Repealed: January 1, 1989.

Statutory Citation: KSA, Ch. 79, Art. 10.

Administration and Collection: Department of Revenue, Division of Vehicles; County Treasurers; State Treasurer.

Collection Period: Dealers purchased

the stamps from county treasurers, as needed, for attachment to the statement of origin (for new vehicles) or assigned title (for used vehicles).

Tax Base: Gross vehicle weight of motor vehicles sold by dealers, except flat rate for motorcycles and motorized bicycles, in lieu of the annual general property tax on dealers' vehicle inventories.

Rate of Tax: Effective July 1, 1985, rates were as follows:

| | New | Used |
|---------------------------------------|---------|---------|
| Motorcycles and Motorized Bicycles | \$ 2.00 | \$ 2.00 |
| Other Vehicles by Gross Weight: | | |
| 3,000 lbs or less | 9.00 | 7.00 |
| 3,000-4,000 | 11.00 | 8.00 |
| 4,000-4,500 | 14.00 | 11.00 |
| 4,500-8,000 | 16.00 | 14.00 |
| 8,000 and over | 45.00 | 25.00 |

Disposition of Revenues: 2 percent to State General Fund; balance among all property tax-levying entities and political subdivisions in the county, in proportion to the amount levied within the county by each.

Collections: In FY 1988, the last full year the tax was imposed, receipts were \$2.9 million.

Grain Tax

Enacted: 1941.

Repealed: January 1, 1989.

Statutory Citation: KSA, Ch. 79, Art. 39.

Administration and Collection: County Appraisers, County Clerks, County Treasurers (collection).

Collection Period: Same as other personal property taxes, *i.e.*, due November 1, one-half payable by December 20 and other half by June 20.

Tax Base: For privilege of engaging in business as a grain dealer – amount of grain received by dealer during preceding year. For privilege of harvesting grain – amount of grain harvested. Tax is in lieu of general property tax on grain.

Rate: For many years prior to repeal of the tax the rates had been as follows:

Dealers – 0.5 mill per bushel.

Producers – 50 cents, plus 0.5 mills per bushel on all grain in excess of 1,000 bushels.

History of Tax Rates:

Dealers – no change since tax enacted.
Producers – 1941 law provided for 0.5 mill levy on total bushels; 1945 law added 50-cent minimum tax.

Disposition of Revenue: To county general fund. (Original law provided for proportionate allocation of the revenue among the taxing units which made general tax levies applicable to grain producing lands and grain-dealer establishments. The 1943 Legislature changed the allocation to the county general fund.)

Net Collections: Collections in FY 1989, the last year of full collections, were \$0.84 million.

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