

Kansas Tax Facts

2007 Supplement to the
Seventh Edition



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FOREWORD

The Seventh Edition of *Kansas Tax Facts* was published in December, 2000. This addendum is designed to supplement and update that publication by providing data from FY 2002 through FY 2007. Summaries of significant tax legislation enacted in 2001 through 2007 may be found in the *Summary of Legislation* publications available at <http://skyways.lib.ks.us/ksleg/KLRD/summaries.htm>

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Combined State and Local Tax Revenue

Kansas state and local government net tax revenue totaled \$11.811 billion in FY 2007, which equated to \$4,273 per capita and to 12.29 percent of Kansas personal income in CY 2006. Following are the tax levies or collections, combining state and local tax revenue, in descending order of magnitude for FY 2007.

Table 1
Kansas State and Local Taxes

	FY 2005	FY 2006	FY 2007	% FY 07 Total	% Increase from FY 06
General Property (a)	\$ 3,093,696	\$ 3,324,107	\$ 3,627,149	30.26%	7.80%
Income and Privilege	2,327,835	2,782,388	3,218,384	27.18	15.67
Sales and Use (b)	2,684,262	2,916,070	3,093,574	26.13	6.09
Motor Fuels	425,556	428,166	434,047	3.67	1.37
Various Vehicle (a) (c)	306,631	315,100	326,590	2.76	3.65
Unemployment Comp.	340,252	344,562	273,395	2.31	(20.65)
Vehicle Registration	175,411	176,650	183,714	1.55	4.00
Insurance Premiums	122,028	127,819	129,841	1.10	1.58
Severance	111,147	143,476	124,758	1.05	(13.05)
Cigarette and Tobacco	123,978	122,992	120,587	1.02	(1.96)
Liquor and Beer	89,966	95,282	100,964	0.85	5.96
Estate/Inheritance	51,803	51,784	55,620	0.47	7.41
Mortgage Registration	51,692	55,817	51,780	0.44	(7.23)
Corporation Franchise	47,085	46,880	47,892	0.40	2.16
Transient Guest	22,838	24,161	25,961	0.22	7.45
Motor Carrier Property	20,404	22,056	25,812	0.22	17.03
Intangibles (a)	2,588	2,645	2,968	0.03	12.21
Parimutuel	3,210	3,004	2,758	0.02	(8.19)
All Other (d)	7,659	8,544	9,102	0.08	6.53
Total	\$ 10,008,041	\$ 10,991,503	\$ 11,811,181	100.00%	7.46%

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

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

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

(d) Total revenue from nine taxes, the largest of which for FY 2007 was the clean water drinking tax at \$3.535 million.

State and Local Tax Structure – Overview

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

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

Some Highlights of this Supplement

- In FY 2007, total state and local tax revenue in Kansas was \$11.811 billion, with state taxes accounting for \$7.015 billion—or about 59.4 percent—of the total. State and local taxes grew by 7.46 percent over the FY 2006 figure of \$10.992 billion. State taxes increased by about \$493 million, or 7.57 percent, from FY 2006 to FY 2007, while local taxes increased by \$326 million, or 7.30 percent.
- Local governments continue to spend most of the state and local tax revenue. In FY 2007, local government tax revenue was \$4.796 billion; and local units received another \$3.175 billion from state taxes allocated to or shared with them. Thus, local units received \$7.971 billion, or about 67 percent, of total state and local taxes in FY 2007. Over 45 percent of the state's tax revenue was shared with or allocated to local units, mostly for education, though this figure was down from 59 percent as recently as FY 2002.
- While the general property tax is still the most important single revenue producer, its proportion of total state and local taxes has steadily declined over the decades—from 82 percent of the total in FY 1930, to 56 percent in FY 1960, and to 30 percent in FY 2007 (or about 33 percent if the various vehicle taxes, which are levied in lieu of the general property tax, are included). But the trend has reversed itself recently, since in FY 1998 the general property tax was only about 27 percent of the burden (or 31 percent if vehicle taxes were included).
- Income and privilege taxes accounted for 27 percent of state and local tax revenue in FY 2007, compared with 11 percent in FY 1970 and only 2 percent in FY 1940. These taxes were also at about 27 percent of the total in FY 2001 but fell as low as 22 percent in FY 2003 and FY 2004 in the wake of the national recession.

- Sales and use tax revenue over the decades also has been increasing significantly as part of the state-local tax mix, *i.e.*, rising from 10 percent of the total in FY 1940, to 16 percent in FY 1970, and to about 26 percent in FY 2007. The spread of local sales taxes has contributed significantly to the growth of sales tax revenue since 1970.
- State and local tax revenue in FY 2007 was 12.29 percent of CY 2006 Kansas personal income. Historically, this figure has remained remarkably constant. (The ratio was 14.63 percent in FY 1940; 11.64 percent in FY 1970; and 11.55 percent in FY 1990). The following table provides the data for the last six fiscal years.

Taxes as Percent of Personal Income

	State	Local	Both
FY 2002	6.32%	4.50%	10.83%
FY 2003	6.54	4.62	11.16
FY 2004	6.74	4.75	11.49
FY 2005	6.96	4.87	11.83
FY 2006	7.26	4.98	12.24
FY 2007	7.30	4.99	12.29

- The rate of growth in local taxes, especially property taxes, continued at a strong pace in FY 2007 for the third consecutive year after coming off two years of more modest growth. Local property taxes in FY 2007 increased by about 7.7 percent, or \$254 million. Of this amount, schools accounted for \$101 million of the increase. Property taxes in FY 2006 had increased by \$228 million (7.5 percent), with \$117 million of the increase attributable to schools. Property taxes in FY 2005 had increased by \$193 million (6.8 percent), with \$126 million of the increase attributable to schools. Property taxes in FY 2004 had increased by \$126 million (4.6 percent), only \$10 million of which was attributable to schools. Property taxes in FY 2003 had increased by \$113 million (4.3 percent), \$58 million of which was attributable to schools.
- It should be noted that while the courts have held that the mandatory school district general fund property tax levy is a state tax, it is primarily treated as a local tax for the maintenance of historical tax tables. The relatively small portion of “excess” local effort that is recaptured for deposit in the State School District Finance Fund is treated as a state tax receipt.

State Tax Revenue

In FY 2006, state tax revenue totaled \$7.015 billion, which was an increase of \$494 million, or 7.57 percent above collections in FY 2006. FY 2006 receipts had grown by \$632 million, or 10.74 percent above FY 2005 collections. Receipts in FY 2005 had grown by \$425 million, or 7.78 percent, above FY 2004. (Total state tax collections had declined in two of the previous four fiscal years prior to FY 2003 and likely would have declined in FY

2003 but for the enactment of an estimated \$295 million in new taxes by the 2002 Legislature. State tax collections grew by 6.3 percent in FY 2004.) Individual income taxes, which had declined for two consecutive years through FY 2003, again led the way in FY 2007 with a growth of \$344 million (after growing by \$321 million, \$181 million and \$122 million in FY 2006, FY 2005 and FY 2004, respectively). Sales and compensating use taxes also increased by a combined \$114 million.

For FY 2007, Table 3 shows state tax revenues in descending order of importance and how much of such revenue was credited to the State General Fund (SGF) and to other state funds. In that year, 82.61 percent went to the SGF and 17.39 percent was deposited in other funds.

Individual income taxes, corporation income taxes, and sales and use taxes accounted for 90 percent of SGF tax receipts in FY 2007. The same four sources comprised just over 80 percent of SGF taxes in FY 1985.

State and Local Taxes

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

In FY 2007, property and vehicle taxes accounted for 33.0 percent of the burden; sales and use taxes, 26.1 percent; and income and privilege taxes, 27.1 percent. As recently as FY 1998, the figures were much more closely balanced: 30.9 percent for property and vehicles; 28.1 percent for sales and use; and 28.0 percent for income and privilege.

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

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

Shown below for the last six 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>
2002	\$ 4,905,300	(3.63)%	\$ 3,493,328	8.59%	\$ 8,398,626	1.11%
2003	5,141,714	4.82	3,632,124	3.97	8,773,839	4.47
2004	5,470,064	6.39	3,852,334	6.06	9,322,398	6.25
2005	5,888,881	7.66	4,119,260	6.93	10,008,141	7.36
2006	6,521,366	10.74	4,470,137	8.52	10,991,503	9.83
2007	7,014,817	7.57	4,796,364	7.30	11,811,181	7.46

Comparative Kansas Tax Burden

Kansas is not a high tax state, according to federal comparison statistics. Using the two major tax burden comparisons (taxes as a percent of personal income or per capita), the state over the years consistently has finished in the middle when compared with all other states. For example, Kansas finished number 29 in state tax revenue as a percent of personal income; and number 26 in per capita state tax revenue in FY 2006, the latest year for which data are available from all states for such statistics. Kansas finished number 32 in per capita state and local collections; and number 33 in state and local collections as a percent of personal income in FY 2005, the latest data for these statistics. Economic development proponents sometimes suggest that the Kansas tax burden figures should be compared more closely with the data from surrounding states. The following table provides this comparison.

50-State Tax Burden Ranking of Kansas and Surrounding States

(1 = highest tax burden; 50 = lowest)

	<u>FY 2006 State Taxes as Percent of Personal Income</u>	<u>FY 2006 State Taxes Per Capita</u>	<u>FY 2005 State and Local as Percent of Personal Income (a)</u>	<u>FY 2005 State and Local Per Capita (a)</u>
Arkansas	7	20	24	48
Nebraska	31	30	15	16
Oklahoma	22	32	39	45
Kansas	29	26	33	32
Iowa	35	39	25	29
Missouri	46	47	46	43
Colorado	48	45	41	21

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

Source: U.S. Census Bureau

Recommended Tax Policy Objectives

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

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

TABLE 2

State Tax Revenue, Net Refunds, FY 2002- FY 2007
(\$ In Thousands)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Property						
Educational Bldg. (1)	\$ 22,563	\$ 23,142	\$ 24,051	\$ 25,491	\$ 26,901	\$ 29,143
Institutional Bldg. (1)	11,282	11,571	12,025	12,746	13,450	14,572
State General	--	--	13,718	538	55	26
Mortgage Regis. (2)	1,001	1,097	1,140	1,145	1,204	1,258
Motor Carrier	18,068	15,729	19,498	20,404	22,056	25,812
Various Vehicle (3)	4,062	4,258	4,415	4,500	4,621	4,704
Excess Local Effort (4)	3,794	3,153	9,636	3,640	4,526	6,170
Total	<u>\$ 60,770</u>	<u>\$ 58,950</u>	<u>\$ 84,483</u>	<u>\$ 68,464</u>	<u>\$ 72,813</u>	<u>\$ 81,685</u>
Income and Privilege						
Individual	\$ 1,854,848	\$ 1,776,884	\$ 1,899,334	\$ 2,079,782	\$ 2,401,129	\$ 2,744,934
Corporation	94,012	105,222	141,173	226,040	350,204	442,324
Financial Inst.	27,919	31,120	25,435	22,013	31,058	31,126
Total	<u>\$ 1,976,779</u>	<u>\$ 1,913,226</u>	<u>\$ 2,065,942</u>	<u>\$ 2,327,835</u>	<u>\$ 2,782,388</u>	<u>\$ 3,218,384</u>
Inheritance/Estate (5)	\$ 48,082	\$ 46,952	\$ 48,064	\$ 51,803	\$ 51,784	\$ 55,620
Sales, Use, and Excise						
Retail Sales	\$ 1,552,746	\$ 1,650,318	\$ 1,706,678	\$ 1,747,774	\$ 1,844,744	\$ 1,934,390
Compensating Use	246,739	238,225	225,156	257,412	282,853	307,635
Subtotal	<u>\$ 1,799,485</u>	<u>\$ 1,888,543</u>	<u>\$ 1,931,834</u>	<u>\$ 2,005,186</u>	<u>\$ 2,127,597</u>	<u>\$ 2,242,025</u>
Motor Fuels	374,701	411,619	423,853	425,556	428,166	434,047
Vehicle Registration (6)	137,549	151,737	157,276	161,394	162,714	169,867
Cereal Malt Beverage	2,380	2,273	2,165	2,077	2,090	2,091
Liquor Gallonage	15,337	15,488	16,615	16,493	17,508	17,901
Liquor Enforcement	37,424	38,833	40,256	41,904	44,234	47,138
Liquor Drink	26,239	27,197	28,492	29,492	31,450	33,834
Cigarette	48,040	129,250	119,789	118,939	117,899	115,282
Tobacco Prod.	4,302	4,510	4,797	5,039	5,093	5,305
Corporation Franchise	18,520	31,089	36,806	47,085	46,880	47,892
Boat Registration	757	858	846	869	992	1,038
Severance	59,871	78,253	91,039	111,147	143,476	124,758
New Tires	864	705	727	719	692	711
Motor Vehicle Rental	2,788	2,898	2,615	2,761	2,862	3,361
Drycleaning & Laundry	1,207	1,209	1,267	1,274	1,205	1,242
Clean Water	490	2,760	2,734	2,509	3,285	3,535
Total	<u>\$ 2,529,954</u>	<u>\$ 2,787,222</u>	<u>\$ 2,861,111</u>	<u>\$ 2,972,444</u>	<u>\$ 3,136,143</u>	<u>\$ 3,250,027</u>

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross Receipts						
Insurance Premiums						
Foreign Cos. (7)	\$ 69,979	\$ 80,070	\$ 89,467	\$ 91,409	\$ 94,471	\$ 96,862
Domestic Cos.	15,807	15,566	18,465	16,272	18,708	17,941
Firefighter Relief	6,714	7,574	8,404	8,759	8,969	9,267
Fire Marshal	4,394	4,979	5,491	5,588	5,671	5,771
Subtotal	\$ 96,894	\$ 108,189	\$ 121,827	\$ 122,028	\$ 127,819	\$ 129,841
Private Car Cos.	\$ 856	\$ 758	\$ 740	\$ 812	\$ 883	\$ 892
Music-Dramatic Tax	11	11	20	22	20	57
Bingo Enforcement	680	675	651	585	583	535
Transient Guest (8)	376	376	422	457	483	531
Parimutuel	3,813	3,875	3,530	3,210	3,004	2,758
Illegal Drugs	1,031	852	705	869	849	1,047
Combative Arts (9)	0	0	0	0	35	45
Total	\$ 103,661	\$ 114,736	\$ 127,895	\$ 127,983	\$ 133,676	\$ 135,706
Unemployment Comp.	\$ 186,054	\$ 220,628	\$ 282,569	\$ 340,352	\$ 344,562	\$ 273,395
TOTAL STATE TAXES	\$ 4,905,300	\$ 5,141,714	\$ 5,470,064	\$ 5,888,881	\$ 6,521,366	\$ 7,014,817

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

1. Taxes levied for collection in the fiscal year as reported by the Department of Revenue, including the state's small share (if any) of certain in-lieu tax levies.
2. The state's 1/26 share of the tax.
3. Amount received by the state from the motor, recreational, and 16m and 20m "tagged" vehicle taxes.
4. "Excess local effort" produced from the mandatory school district general fund property tax levy and returned to the state pursuant to the school finance formula (see KSA 2006 Supp. 72-6431).
5. For FY 2003, includes \$2.237 million in succession tax collections; and for FY 2004, includes \$2.898 million in succession tax refunds.
6. State receipts only, excluding amounts retained by county treasurers.
7. Includes retailatory taxes.
8. State's 2 percent share of the tax.
9. Created by the Kansas Professional Regulated Sports Act, enacted in 2004.

TABLE 3

**Allocation to Funds of Total State Tax Revenue
(Net of Refunds) FY 2007
(\$ in Thousands)**

	Amount	Percent of Total	Cumulative Percent	Taxes Credited to:	
				SGF	Other Funds
Individual Income	\$ 2,744,934	39.13%	39.13%	\$ 2,709,340	\$ 35,594
Retail Sales	1,934,390	27.58	66.71	1,766,768	167,622
Corporation Income	442,324	6.31	79.20	442,449	(125)
Motor Fuels	434,047	6.19	72.89	--	434,047
Compensating Use	307,635	4.39	87.48	284,981	22,654
Unemployment Compensation	273,395	3.90	83.10	--	273,395
Motor Vehicle Registration	169,867	2.42	89.90	--	169,867
Insurance Premiums	129,841	1.85	91.76	113,805	16,036
Cigarette and Tobacco	120,587	1.72	93.47	120,587	--
Liquor and Beer	100,964	1.44	96.13	74,849	26,115
Gas Severance	85,617	1.22	94.69	79,624	5,993
Estate/Inheritance	55,620	0.79	96.93	55,620	--
Corporation Franchise	47,892	0.68	97.61	47,892	--
State Property	43,741	0.62	98.23	26	43,715
Oil Severance	39,141	0.56	98.79	36,401	2,740
Financial Institutions Privilege	31,126	0.44	99.23	31,126	--
Motor Carrier Property	25,812	0.37	99.60	25,812	--
Excess Local Effort (Property)	6,170	0.09	99.76	--	6,170
State Motor Vehicle	4,539	0.06	99.67	--	4,539
Water	3,535	0.05	99.81	3,368	167
Vehicle Rental Excise	3,361	0.05	99.89	--	3,361
Parimutuel	2,758	0.04	99.84	--	2,758
State Mortgage Reg.	1,258	0.02	99.93	--	1,258
Drycleaning	1,242	0.02	99.91	--	1,242
Illegal Drugs	1,047	0.01	99.97	262	785
Boat Registration	1,038	0.01	99.94	--	1,038
Private Car Co.	892	0.01	99.96	892	--
New Tires	711	0.01	99.98	--	711
Bingo	535	0.01	99.99	357	178
State Transient Guest	531	0.01	100.00	531	--
State Tagged Vehicle	112	0.00	100.00	--	112
Music, Dramatic	57	0.00	100.00	57	--
State Rec. Vehicle	53	0.00	100.00	--	53
Combative Arts	45	0.00	100.00	--	45
Total	\$ 7,014,817	100.00%		\$ 5,794,746	\$ 1,220,071
				82.61%	17.39%

TABLE 4

Local Government Tax Revenue, FY 2002-2007
In Thousands

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Counties						
Tangible Property (1)	\$ 737,746	\$ 771,090	\$ 825,062	\$ 862,537	\$ 930,828	\$ 998,314
Intangibles (2)	2,131	2,015	1,399	1,101	1,171	1,319
Mortgage Registration (3)	41,339	48,661	59,416	50,547	54,613	50,522
Motor Vehicle Registration (3)	11,230	13,614	13,664	14,017	13,936	13,847
Transient Guest	1,068	1,059	1,090	1,223	1,436	1,641
Various Vehicle (4)	83,350	87,880	95,270	99,961	105,294	105,946
Sales and Use	296,528	291,142	314,378	357,153	452,328	501,037
Subtotal-Counties	\$ 1,173,392	\$ 1,215,461	\$ 1,310,279	\$ 1,386,539	\$ 1,559,606	\$ 1,672,626
Cities						
Tangible Property (1)	\$ 510,043	\$ 539,330	\$ 585,292	\$ 607,241	\$ 638,071	\$ 676,378
Intangibles (2)	1,404	1,266	1,005	861	898	897
Transient Guest	17,324	17,309	18,873	21,158	22,242	23,789
Various Vehicle (4)	60,697	63,757	65,927	68,749	72,197	73,536
Sales and Use	235,578	239,841	279,897	300,442	309,776	315,998
Subtotal-Cities	\$ 825,046	\$ 861,503	\$ 950,994	\$ 998,451	\$ 1,043,184	\$ 1,090,598
Schools (5)						
Tangible Property (1)	\$ 1,195,254	\$ 1,253,287	\$ 1,263,235	\$ 1,389,409	\$ 1,506,044	\$ 1,607,240
Various Vehicle (4)	87,759	98,161	107,807	112,258	109,726	117,938
Subtotal-Schools	\$ 1,283,013	\$ 1,351,448	\$ 1,371,042	\$ 1,501,667	\$ 1,615,770	\$ 1,725,178
Townships						
Tangible Property (1)	\$ 41,882	\$ 43,170	\$ 45,258	\$ 46,223	\$ 48,743	\$ 51,271
Intangibles (2)	1,244	977	720	626	576	752
Various Vehicle (4)	4,609	4,696	4,890	5,062	5,389	5,402
Subtotal-Townships	\$ 47,735	\$ 48,843	\$ 50,868	\$ 51,911	\$ 54,708	\$ 57,425
Special Districts						
Tangible Property (1)	\$ 134,633	\$ 125,583	\$ 139,165	\$ 145,871	\$ 155,489	\$ 200,320
Various Vehicle (4)	12,010	12,496	12,955	13,340	15,011	15,703
Sales and Use (6)	17,499	16,790	17,031	21,481	26,369	34,514
Subtotal-Special Districts	\$ 164,142	\$ 154,869	\$ 169,151	\$ 180,692	\$ 196,869	\$ 250,537
TOTAL LOCAL TAXES	\$ 3,493,328	\$ 3,632,124	\$ 3,852,334	\$ 4,119,260	\$ 4,470,137	\$ 4,796,364
Exhibit:						
Tangible Property	\$ 2,619,558	\$ 2,732,461	\$ 2,858,012	\$ 3,051,281	\$ 3,279,174	\$ 3,533,523
Various Vehicle	248,425	266,990	286,849	299,370	307,617	318,525
Total	\$ 2,867,983	\$ 2,999,451	\$ 3,144,861	\$ 3,350,651	\$ 3,586,791	\$ 3,852,048
Exhibit:						
Local Sales and Use	\$ 549,605	\$ 547,773	\$ 611,306	\$ 679,076	\$ 788,473	\$ 851,549

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 2007 column is for CY 2006.
4. Calendar year taxes for motor, recreational, and 16m and 20m "tagged" vehicles.
5. School districts, community colleges, and municipal universities, including out-district tuition tax levies made by counties and townships.
6. Collections by the Department of Revenue for municipal universities, transportation development districts, certain sales tax and revenue bond districts, and the Horsethief Reservoir district.

Special Note

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

TABLE 5 — PERCENTAGE OF COMBINED STATE AND LOCAL TAX REVENUE

Ranked on the Basis of FY 2007

	FY 2007	FY 2006	FY 2005	FY 2004	FY 2003	FY 2002	FY 2000	FY 1990	FY 1980	FY 1970	FY 1960	FY 1950	FY 1940	FY 1930
General Property (a)	30.26%	30.24%	30.91%	31.30%	31.57%	31.64%	28.00%	32.34%	39.19%	53.06%	56.44%	52.19%	62.95%	82.02%
Income and Privilege	27.18	25.31	23.36	22.16	21.81	23.54	27.01	21.87	21.42	10.57	6.73	4.95	2.04	-
Sales and Use (b)	26.13	26.53	26.82	27.28	27.77	27.97	28.58	22.55	19.75	15.74	15.34	15.76	9.94	-
Motor Fuels	3.67	3.90	4.25	4.55	4.69	4.46	4.54	4.61	5.24	8.81	8.26	11.00	9.92	8.18
Various Vehicle (c)	2.76	2.87	3.06	3.15	3.12	3.04	3.31	5.66	-	-	-	-	-	-
Unemployment Comp.	2.31	3.13	3.40	3.03	2.51	2.22	1.36	3.49	3.86	1.77	2.21	2.51	4.85	-
Vehicle Registration	1.55	1.61	1.75	1.83	1.88	1.77	1.89	2.02	3.03	3.50	4.39	4.35	3.99	5.69
Insurance Premiums	1.10	1.16	1.22	1.31	1.23	1.15	0.86	1.44	1.54	1.22	1.31	1.22	0.99	1.05
Severance	1.05	1.31	1.11	0.98	0.89	0.71	0.72	1.71	-	-	-	-	-	-
Cigarette and Tobacco	1.02	1.12	1.24	1.34	1.52	0.62	0.67	1.15	1.44	2.20	1.83	2.08	1.27	0.63
Liquor and Beer	0.85	0.87	0.90	0.94	0.96	0.97	0.93	1.03	1.30	1.08	1.09	2.24	0.49	-
Estate/Inheritance	0.47	0.47	0.52	0.52	0.54	0.57	0.80	0.89	1.19	0.82	0.82	0.48	0.39	0.67
Mortgage Registration	0.44	0.51	0.52	0.65	0.57	0.50	0.46	0.25	0.38	0.20	0.28	0.39	0.30	0.30
Corporation Franchise	0.40	0.43	0.47	0.39	0.35	0.22	0.21	0.19	0.25	0.09	0.13	0.17	0.31	0.34
Transient Guest	0.22	0.22	0.23	0.22	0.21	0.22	0.22	0.15	0.04	-	-	-	-	-
Motor Carrier Property	0.22	0.20	0.20	0.21	0.18	0.22	0.20	0.20	0.19	0.15	0.16	0.09	0.03	(e)
Intangibles	0.03	0.02	0.03	0.03	0.05	0.06	0.06	0.23	0.98	0.64	0.70	1.09	0.93	0.72
Parimutuel	0.02	0.03	0.03	0.04	0.04	0.05	0.05	0.16	-	-	-	-	-	-
All Other (d)	0.08	0.08	0.08	0.08	0.09	0.07	0.13	0.06	0.20	0.15	0.31	1.48	1.60	0.40
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

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

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

(d) Total revenue from nine taxes.

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

TABLE 6

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

	FY 2007	FY 2006	FY 2005	FY 2004	FY 2003	FY 2002
State Taxes (\$000)	\$ 7,014,817	\$ 6,521,366	\$ 5,888,881	\$ 5,470,064	\$ 5,141,714	\$ 4,905,300
Local Taxes (\$000)	4,796,364	4,470,137	4,119,260	3,852,334	3,632,124	3,493,328
Total (\$000)	\$ 11,811,181	\$ 10,991,503	\$ 10,008,141	\$ 9,322,398	\$ 8,773,838	\$ 8,398,628
State Population (000)	2,764	2,748	2,738	2,727	2,715	2,702
Kansas Personal Income (\$ millions)	\$ 96,034.3	\$ 89,773.8	\$ 84,620.0	\$ 81,116.3	\$ 78,606.1	\$ 77,563.8
Per Capita Income	34,744	32,666	30,902	29,745	28,955	28,701
Per Capita Taxes						
State	\$ 2,538	\$ 2,373	\$ 2,151	\$ 2,006	\$ 1,894	\$ 1,815
Local	1,735	1,627	1,504	1,413	1,338	1,293
Total	\$ 4,273	\$ 4,000	\$ 3,655	\$ 3,419	\$ 3,232	\$ 3,108
Ratio of Taxes to Person Income						
State	7.30%	7.26%	6.96%	6.74%	6.54%	6.32%
Local	4.99%	4.98%	4.87%	4.75%	4.62%	4.50%
Total	12.29%	12.24%	11.83%	11.49%	11.16%	10.83%

Estimates of the U.S. Department of Commerce as of September 20, 2007.