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Nick Jordan, Secretary  
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**Federal tax increase influences capital gains payments**  
*Kansas job growth up, unemployment down*

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TOPEKA – Kansas revenue for May is once again seeing the effects of a federal tax increase that specifically affected capital gains.

According to the April 2014 Rockefeller Institute, State Revenue Report: “officials in many states have been facing extraordinary challenges forecasting income taxes due to uncertainties related to capital gains, which can have a large impact on estimated taxes paid in December and January, and on payments with tax returns filed in April. The uncertainty has been heightened this year due to the strong performance of the stock market in 2013 and the unintended consequences of the fiscal cliff.”

Kansas has been affected by this one-time 2013 tax year event. This is evidenced by a 47 percent drop in April and May payments attributed primarily to capital gains.

Kansas Department of Labor data indicate positive trends for the Kansas economy as jobs continue to grow significantly evidenced by an unemployment rate that has dropped from 6.8 percent in 2011 to 4.8 percent. More Kansans are employed today than ever before, more than 50,000 new private sector jobs have been created since 2011 and withholding revenues meeting estimates.

As a result of this one time federal tax event, revenue tax receipts fell short of estimates \$ 217 million in May and for the fiscal year 2014 to date \$310 million or 5.9 %.

“Unfortunately we underestimated, as did other states, the impact of the federal fiscal cliff, said Nick Jordan, Secretary of Revenue. “We look forward to putting this behind us and continuing to build on our record of job growth, reducing unemployment, continued fiscal responsibility and providing tax relief for Kansas families.”