

# STATE OF KANSAS



## DEPARTMENT OF REVENUE ANNUAL STATISTICAL REPORT

**FISCAL YEAR ENDING  
JUNE 30, 2004**

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# INTRODUCTION

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# DEPARTMENT OFFICIALS

## JANUARY 2005

**Joan Wagon**  
**Secretary of Revenue**

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### SECRETARIAT STAFF

**Jim Conant, Director**  
**Resource Management**

**Jim Bartle, General Counsel**  
**Legal Services**

**Richard Cram, Director**  
**Office of Policy and Research**

**Tim Blevins, Chief Information  
Officer**  
**Information Services**

**Nick Kramer, Manager**  
**Internal Audit**

**Mike Boekhaus, Audit Administrator**  
**Audit Services**

### DIVISIONS AND SUPPORTING BUREAUS

**Tom Groneman, Director**  
**Division of Alcoholic Beverage Control**  
**Investigation and Inspection**

**Steve Stotts, Director**  
**Division of Tax Operations**  
**Administration**  
**Channel Management**  
**Compliance Management**  
**Customer Relations**  
**Enforcement**

**Mark Beck, Director**  
**Division of Property Valuation**  
**Administration**  
**State Appraised**  
**Technical Support**  
**County Assistance**

**Carmen Alldritt, Director**  
**Division of Vehicles**  
**Motor Vehicle Registration**  
**Driver License Iss/Driver Control**

**Selected Kansas Department of Revenue Telephone and FAX Numbers**

			For assistance:	
Personnel	(785) 296-	3077	Information - Department of Revenue	(785) 296- 3909
TTY (Hearing Impaired)	(785) 296-	3077	Bingo Tax	(785) 368- 8222
Alcoholic Beverage Control	(785) 296-	7015	Cigarette and Tobacco Products	(785) 368- 8222
TTY (Hearing Impaired)	(785) 296-	3946	Corporate Income Tax	(785) 368- 8222
Collections	(785) 296-	6121	Dealer Licensing	(785) 296- 3626
TTY (Hearing Impaired)	(785) 296-	6117	Driver Control	(785) 296- 3671
Taxation	(785) 368-	8222	Driver License Examination	(785) 296- 3963
TTY (Hearing Impaired)	(785) 296-	6461	Driver License Examination, Burlingame	(785) 266- 7380
Vehicles	(785) 296-	3601	Electronic Filing	(785) 296- 4066
TTY (Hearing Impaired)	(785) 296-	3613	Environmental Assurance Fee	(785) 296- 8222
			Fiduciary	(785) 368- 8222
			Food Sales Tax Refund Unit	(785) 368- 8222
			Homestead Tax Refund Unit	(785) 368- 8222
For registration to remit taxes:			Individual Income Estimated Tax	(785) 368- 8222
Sales, Use, Excise, Withholding	(785) 368-	8222	Individual Income Tax	(785) 368- 8222
			Inheritance Tax	(785) 368- 8222
Billing and tax inquiries:			Intangibles Tax	(785) 368- 8222
Taxpayer Assistance Center for Topeka	(785) 368-	8222	Liquor Enforcement Tax	(785) 368- 8222
Refund Information Line	1(800)894-	0318	Liquor Excise Tax	(785) 368- 8222
			Mineral Taxes	(785) 368- 8222
			Motor Carrier Central Permit	(785) 296- 2356
For audit inquiries:			Motor Carrier Services	(785) 291- 3384
Audit Services Bureau	(785) 296-	7719	Motor Fuel Taxes	(785) 368- 8222
			Sales and Use Tax	(785) 368- 8222
For legal inquiries:			Sand Royalty	(785) 296- 3500
Legal Services Bureau	(785) 296-	2381	Tax Appeals Section	(785) 296- 8460
			Tire Excise Tax	(785) 368- 8222
For revenue collection statistical inquiries:			Transient Guest Tax	(785) 368- 8222
Office of Policy and Research	(785) 296-	3082	Vehicle Rental Excise Tax	(785) 368- 8222
			Vehicle Titles and Registration	(785) 296- 3621
Department Regional Offices Telephone Numbers:			Water Protection Fee	(785) 368- 8222
Kansas City Metro Assistance Center	(913) 631-	0296	Withholding Tax	(785) 368- 8222
Wichita Audit Office	(316) 337-	6163		
Wichita Collections Office	(316) 337-	6153		
Wichita Assistance Center	(316) 337-	6140		

<b>FAX Numbers:</b>				
Alcoholic Beverage Control	(785) 296-	7185	Kansas City Metropolitan Assistance Center	(913) 631- 6215
Audit Services	(785) 296-	0531	Motor Carrier Services	(785) 296- 7872
Customer Relations-Business Segment	(785) 296-	2073	Motor Carrier Services Central Permit	(785) 296- 7872
Customer Relations-Motor Fuel	(785) 296-	4993	Personnel Services	(785) 296- 1107
Customer Relations-Wage Earner	(785) 296-	8989	Property Valuation Division	(785) 296- 2320
Driver Control	(785) 296-	6851	Secretary of Revenue & Secretariat	(785) 368- 8392
Driver License: Kansas City Regional	(913) 287-	9323	Taxation, Director's Office	(785) 296- 8974
Driver License: Topeka, Docking	(785) 296-	0691	Taxpayer Assistance	(785) 291- 3614
Driver License: Topeka, Burlingame	(785) 266-	7382	Titles and Registration	(785) 296- 3852
Driver License: Wichita, Parklane	(316) 682-	8125	Wichita Audit Office	(316) 337- 6162
Driver License: Wichita, Meridian	(316) 942-	5281	Wichita Collections Office	(316) 337- 6162

## Comparison of Kansas and Selected States, Various Tax Rates - 2003

	<b>Beer Per Gallon Alcoholic Content of 4.5%<sup>1</sup></b>	<b>Light Wine Per Gallon Alcoholic content of 12%</b>	<b>Cigarette Per Pack of 20</b>	<b>Motor Fuel Per Gallon</b>
Colorado	\$0.08	\$0.28	\$0.20	\$0.22
Iowa	\$0.19	\$1.75	\$0.36	\$0.203
<b>Kansas</b>	<b>\$0.18</b>	<b>\$0.30</b>	<b>\$0.79</b>	<b>\$0.24</b>
Missouri	\$0.06	\$0.36	\$0.17	\$0.1703
Nebraska	\$0.31	\$0.95	\$0.64	\$0.257
Oklahoma	\$0.40	\$0.72	\$0.23	\$0.17

<sup>1</sup> Rates per 31-gallon barrel have been converted to rates per gallon. In some cases this required rounding of the per gallon rate.

Source: Tax Rates and Tax Burdens In The District of Columbia, A Nationwide Comparison, 2003, Govt of the District of Columbia

## Comparison of Kansas and Selected States, Personal Income

### Per Capita Personal Income

	<u>1999 (r)</u>	<u>2000 (r)</u>	<u>2001 (r)</u>	<u>2002 (r)</u>	<u>2003</u>	<u>2002-03 % change</u>	Descending	
							<u>Rank 2002</u>	<u>Rank 2003</u>
Colorado	\$30,492	\$33,371	\$34,482	\$34,124	\$34,510	1.1%	1	1
Iowa	\$25,118	\$26,554	\$27,178	\$27,905	\$28,398	1.8%	5	5
<b>Kansas</b>	<b>\$26,195</b>	<b>\$27,694</b>	<b>\$28,662</b>	<b>\$28,870</b>	<b>\$29,545</b>	<b>2.3%</b>	<b>4</b>	<b>3</b>
Missouri	\$25,697	\$27,243	\$27,897	\$28,391	\$29,094	2.5%	3	4
Nebraska	\$26,465	\$27,627	\$28,679	\$28,869	\$30,331	5.1%	2	2
Oklahoma	\$22,567	\$24,410	\$26,015	\$25,812	\$26,567	2.9%	6	6
United States	\$27,939	\$29,847	\$30,580	\$30,795	\$31,459	2.2%		

### Per Capita Disposable Personal Income

	<u>1999 (r)</u>	<u>2000 (r)</u>	<u>2001 (r)</u>	<u>2002 (r)</u>	<u>2003</u>	<u>2002-03 % change</u>	Descending	
							<u>Rank 2002</u>	<u>Rank 2003</u>
Colorado	\$25,948	\$28,236	\$29,577	\$29,982	\$30,694	2.4%	1	1
Iowa	\$22,076	\$23,389	\$24,001	\$25,113	\$25,725	2.4%	5	5
<b>Kansas</b>	<b>\$22,775</b>	<b>\$24,048</b>	<b>\$25,003</b>	<b>\$25,731</b>	<b>\$26,602</b>	<b>3.4%</b>	<b>4</b>	<b>3</b>
Missouri	\$22,345	\$23,677	\$24,261	\$25,240	\$26,121	3.5%	3	4
Nebraska	\$23,175	\$24,091	\$25,119	\$25,790	\$27,404	6.3%	2	2
Oklahoma	\$19,887	\$21,519	\$23,007	\$23,168	\$24,042	3.8%	6	6
United States	\$23,974	\$25,472	\$26,244	\$27,149	\$28,019	3.4%		

### Disposable Personal Income as Percent of Personal Income

	<u>1999 (r)</u>	<u>2000 (r)</u>	<u>2001 (r)</u>	<u>2002 (r)</u>	<u>2003</u>
Colorado	85.1%	84.6%	85.8%	87.9%	88.9%
Iowa	87.9%	88.1%	88.3%	90.0%	90.6%
<b>Kansas</b>	<b>86.9%</b>	<b>86.8%</b>	<b>87.2%</b>	<b>89.1%</b>	<b>90.0%</b>
Missouri	87.0%	86.9%	87.0%	88.9%	89.8%
Nebraska	87.6%	87.2%	87.6%	89.3%	90.3%
Oklahoma	88.1%	88.2%	88.4%	89.8%	90.5%
United States	85.8%	85.3%	85.8%	88.2%	89.1%

(r) revised

Source: U. S. Dept of Commerce, Bureau of Economic Analysis, "Survey of Current Business," October 2004, Tables 3 and 4; <http://www.bea.doc.gov/bea/regional/articles>

## Comparison of Kansas and Selected States, Individual Income Tax

Individual Income Taxes: Basic Rates, Exemptions and Standard Deductions for 2003

		Tax Rates Range	Taxable Income Brackets		Personal Exemptions			Standard Deductions	
			Up To	Over	Single	Married Joint	Dependents	Single	Married Joint
Colorado		4.63% of federal taxable income with certain modifications			-	-	-	-	-
Iowa		0.36%-8.98%	\$1,224	\$55,080	\$40	\$80	\$40	\$1,550	\$3,830
<b>Kansas</b>	<b>S,M/S</b>	<b>3.5%-6.45%</b>	<b>\$15,000</b>	<b>\$30,000</b>	<b>\$2,250</b>	<b>\$4,500</b>	<b>\$2,250</b>	<b>\$3,000</b>	<b>\$6,000</b>
	<b>M/J</b>	<b>3.5%-6.45%</b>	<b>\$30,000</b>	<b>\$60,000</b>					
Missouri		1.5%-6.0%	\$1,000	\$9,000	\$2,100	\$4,200	\$1,200	\$4,750	\$9,500
Nebraska	M/S	2.56%-6.84%	\$2,000	\$23,375	\$101	\$202	\$101	\$4,750	\$7,950
	S	2.56%-6.84%	\$2,400	\$26,500					
	M/J	2.56%-6.84%	\$4,000	\$46,750					
	HH	2.56%-6.84%	\$3,800	\$35,000					
Oklahoma	S,M/S	0.5%-7.0%	\$1,000	\$10,000	\$1,000	\$2,000	\$1,000	\$2,000	\$2,000
(w/o Fed Deduct)	SS,HH,M/J	0.5%-7.0%	\$2,000	\$21,000					
(w/Fed Deduct)	S,M/S	0.5%-10.0%	\$1,000	\$16,000	\$1,000	\$2,000	\$1,000		
	SS,HH,M/J	0.5%-10.0%	\$2,000	\$24,000					

Notes:

Iowa - Brackets and standard deductions are indexed for inflation.

Missouri and Nebraska- Standard deductions and exemptions are tied to Federal tax system. Federal deductions and exemptions are indexed for inflation.

Oklahoma -The deduction given is applicable to all filers, excluding married filing separately filers, with AGI over \$13,333. For those with AGI between \$6,666 and \$13,333 the standard deduction is 15% of AGI and for those with AGI of less than \$6,666 the standard deduction is \$1,000. For married filing separately filers, the standard deduction is \$500 or 15% of AGI, but not to exceed \$1,000.

Source: Tax Rates and Tax Burdens, 2003, source for tax rates, taxable income brackets and personal exemptions  
Facts & Figures on Government Finance, 38th edition, source for standard deductions

## Comparison of Kansas and Selected States, Corporate Tax Comparison

Comparison of corporate tax bases, minimum tax, and computation of taxable net income, tax laws effective July 1, 2003.

Item	Colorado	Iowa	Kansas	Missouri	Nebraska	Oklahoma
Tax Base-business income	Income from the regular course of business that constitutes an integral part of the taxpayer's regular business.	Income earned as part of a unitary business	Income from transactions and activities in the regular course of trade or business	Income from the regular course of business that constitutes an integral part of the taxpayer's regular business.	All income is presumed to be business income.	NA
Tax Base-nonbusiness income	Dividends, interest, rents, royalties, and certain capital gains.	Income not earned as part of a unitary business.	Any income other than business income.	Dividends, interest, rents, royalties, and certain capital gains.	None	NA
Is there a minimum tax?	No	Yes	No	No	No	No
State computation of taxable net income	Starts with taxable income after special deductions.	The federal net operating loss deduction on line 29(a) is not deductible on the Iowa return.	Starts with taxable income after special deductions.	Starts with taxable income after special deductions.	Starts with taxable income after deductions.	Starts with taxable income before special deductions.

NA - Not Applicable

Source: 2004 Multistate Corporate Tax Guide, Volume I

## Comparison of Kansas and Selected States, Sales Tax Comparison

Comparison of state sales tax rates, filing period, reproduction of returns, option of local sales taxes, localities assessing tax, tax laws effective July 1, 2003.

Item	Colorado	Iowa	Kansas	Missouri	Nebraska	Oklahoma
Tax Rate-General Sales and Use Tax	2.9%	5%	5.3%	4.225%	5.5%	4.5%
State has approved local sales tax	Yes	Yes	Yes	Yes	Yes	Yes
State has approved local use tax	Yes	No	Yes	Yes	Yes	Yes
Filing Period	<u>Monthly:</u> Tax Liability>=\$300/qtr <u>Quarterly:</u> Tax Liability<\$300/qtr <u>Annually:</u> Tax Liability<\$300/qtr	<u>Monthly:</u> Tax Liability=\$500-\$5,000/mo <u>Quarterly:</u> Tax Liability=\$30-\$1,500/qtr <u>Semimonthly:</u> Tax Liability<\$60,000/yr <u>Annually:</u> Tax Liability<\$120/yr	<u>Monthly:</u> Tax Liability=>\$1,600 sales/year <u>Quarterly:</u> Tax Liability \$80-\$1,600 sales/year <u>Annually:</u> Tax Liability<\$80 in sales tax/year	<u>Monthly:</u> Tax Liability>=\$5,917 sales/mo <u>Quarterly:</u> Tax Liability<=\$11,811 sales/qtr <u>Annually:</u> Tax Liability<=\$1,065 sales/qtr	<u>Monthly:</u> Tax Liability>\$3,000/yr <u>Quarterly:</u> Tax Liability=\$900-\$3,000/yr <u>Annually:</u> <\$900 sales/yr	<u>Monthly:</u> Tax Liability \$25,000 avg sales tax for month remitted for prior fiscal year <u>Semi-monthly:</u> >\$25,000 in sales tax liability <u>Twice a year:</u> \$50/mo in tax liability
Does state accept reproductions of the returns?	Yes	Yes	Yes	Yes	Yes	Yes
Percent or range of rates for local sales tax	Up to 5.3%	0.5% - 2% (sls only)	0.25 - 2.75%	0.125% - 4.0%	.5% - 1.5%	2% - 5%
Localities assessing tax	city, county, and special districts	city, county (sls only)	city, county, special districts	city, county, special districts	city, county	city, county, transportation and hospital authorities

\*NA Information not available

Source: 2004 Multistate Corporate Tax Guide, Volume II

**Selected Kansas Tax Rates with Statutory Citation**

K.S.A.:

Individual Income Tax					79-32,110
Tax Rates, Resident, married, joint					
taxable income not over	\$30,000	@	3.50%		
taxable income not over	\$60,000	@	\$1,050 plus 6.25%	over \$30,000	
taxable income over	\$60,000	@	\$2,925 plus 6.45%	over \$60,000	
Tax Rates, Resident, others					
taxable income not over	\$15,000	@	3.50%		
taxable income not over	\$30,000	@	\$525 plus 6.25% of excess over \$15,000		
taxable income over	\$30,000	@	\$1,462.50 plus 6.45% of excess over \$30,000		
Corporation	total taxable income	@	4.00%	plus 3.35% surtax on taxable income over \$50,000	7.350%
Banks	total net income	@	2.25%	plus 2.125% surtax on taxable income over \$25,000	6.375%
Trusts and S&Ls	total net income	@	2.25%	plus 2.25% surtax on taxable income over \$25,000	6.750%
Estate Tax	Equal to maximum federal credit allowable for state death taxes paid under 1997 IRC. "Pick-up Tax."				79-15,102
State Retailers Sales Tax			5.3%		79-3603
State Compensating Use Taxes			5.3%		79-3703
Local Retailers Sales Tax			up to 1.0% for counties; up to 2.0% for cities		12-189
Local Use Sales Tax (eff 7/1/03)			up to 1.0% for counties; up to 2.0% for cities		12-191
Motor Fuel Tax/per Gallon			<u>FY03</u>	<u>FY04</u>	
Regular Motor Fuel/gallon			\$0.23	\$0.24	79-34,141
Gasohol/gallon			\$0.23	\$0.24	79-34,141
Diesel/gallon			\$0.25	\$0.26	79-34,141
LP-Gas/gallon			\$0.22	\$0.23	79-34,141
Compress Nat Gas/120 CF = gallon			\$0.22	\$0.23	KAR. 92-14-9
Trip Permits/each			\$12.50	\$13.00	79-34,118
Mineral Tax					79-4217, 4219
Oil/gross taxable value			8.00%	with 3.67% property tax credit	
Gas/gross taxable value			8.00%	with 3.67% property tax credit	
Coal/ton			\$1.00		
Cigarette Tax			(eff 1/1/03)		79-3310
Package of 20			\$0.79		
Package of 25			\$0.99		
Tobacco Tax					79-3371
Wholesale price			10.00%		
Bingo Tax					79-4704
Bingo faces			\$0.002		
Retail price - Instant			1.00%		
Gross receipts - Call			3.00%	(No longer effective July 1, 2003)	
Property Tax (State levy)					76-6b01
Assessed Valuation			1.5 mills		76-6b02
State School District Finance Levy					72-6431
Assessed Valuation			20 mills		
Liquor Gallonage Tax					
Strong Beer and CMB/gallon			\$0.18		41-501(b)
Alcohol & Sprints/gallon			\$2.50		41-501(b)
Light Wine/gallon			\$0.30		41-501(b)
Fortified Wine/gallon			\$0.75		41-501(b)
Liquor Excise Tax (Drinking Establishments)					79-41a02
Gross receipts			10.00%		
Liquor Enforcement (Liquor Stores)					79-4101
Gross receipts			8.00%		
Marijuana Stamp Tax					79-5202
Marijuana/gram or portion of gram			\$3.50		
Controlled Substance/ gram or portion of gram			\$200.00		
Controlled Substance/50 dose unit or portion of unit			\$2,000		
New Tire Tax/per tire			\$0.25		65-3424d
Car Line Tax/gross earnings			2.5%		79-907
Sand Royalty/per ton			\$0.15/ton		70a-102
Environ. Fee/gallon petroleum product			\$0.01	each of two funds has maximum and minimum limits	65-34,117
Water Fee/1,000 gallons			\$0.032	(\$0.03 is collected for the Kansas Water Office and \$0.02 is collected for H&E, K.A.R. 28-15-12.)	82a-954
Clean Drinking Water Fee/1,000 gallons			\$0.030		82a-2101
Oil Inspection Fee/barrel (50 gallons)			\$0.015/barrel		55-426
Vehicle Rental Excise Tax/gross receipts			3.5%	for rentals not exceeding 28 days	79-5117
Drycleaning					65-34,141
Environmental Surcharge/gross receipts			2.5%		
Solvent Fee (chlorinated)/gallon			\$5.50		
Solvent Fee (non-chlorinated)/gallon			\$0.35		

**FY 2004 After-Refund Distribution of Selected State Taxes and Fees Collected by Kansas Department of Revenue**

Annual Report

	Amounts (if not 100%)	Fund	Transfer	Fund	Transfer Dates	K.S.A.: (a)
Individual Income		State General Fund				79-32,105
			then	up to 1% (of withholding) to SKILL Fund (IMPACT Fund, beginning FY 1997)		74-50,107
Corporate Income		State General Fund				79-32,105
Privilege Tax		State General Fund				79-1112
Estate Tax		State General Fund				79-15,100
State Sales and Use	95.3%	State General Fund				79-3620, 3710
	4.7%	State Highway Fund				
Motor Fuel Taxes	\$875 thousand/qrtr	Kansas Qualified Alcohol Producers' Incentive Fund			1st of Oct, Jan, April, July	79-34,161
	38.45%	Special City/County Highway Fund				79-34,142
			after	\$625 thou/qrt County Equalization & Adjustment Fund	15th of Jan, April, July, Oct	79-3425c
	61.55%	State Highway Fund				79-34,142
Environmental Assurance Fee		Above and Below Ground Petroleum Storage Tank Release Trust Funds				65-34,114
Oil Inspection Fee		State General Fund				55-427
Minerals (Severance) Tax	93%	State General Fund				79-4227
	7%	County Mineral Production Tax Fund			1st of Dec, March, June, Sept	79-4227
Cigarette & Tobacco Taxes		State General Fund				79-3387
Bingo Enforcement Tax	2/3	State General Fund				79-4710
(Call and Instant Bingo)	1/3	State Bingo Regulation Fund				79-4710
Controlled Substances Tax		State General Fund				79-5211
		then, of assessments and penalties	75%	County and/or City Law Enforcement Fund	April, July, Oct, Jan	79-5211
New Tires Excise Tax		Waste Tire Management Fund				65-3424
Motor Vehicle Rental Excise Tax		Rental Motor Vehicle Excise Tax Fund				79-5117
		then	100%	treasurer of county where collected	30th of June, Nov	79-5117
Water Protection Fee		State Water Plan Fund				82a-951, KAR 28-15-12
Clean Water Drinking Fee	94.898%	State General Fund				
	5.102%	State Highway Fund				82a-2101
Private Car Line Tax		Car Company Tax Fund				79-917
		then		State General Fund	four months after deposit to CCTF	79-917
Sand Royalty		Sand Royalty Fund, then	75%	to State Water Plan Fund, after expenses	15th of each month	70a-105
		State Water Plan Fund	25%	to counties and drainage districts, after expenses		82a-309
				2/3 of 50% is to drainage district on the river	yearly	82a-309
				1/3 of 50% to other drainage districts in county	yearly	82a-309
Transient Guest	98%	County/City Transient Guest Tax Fund		Counties/Cities Imposing Tax	at least quarterly	12-1694
	2%	State General Fund				12-1694
						12-1694
Property Tax (Statewide Assessed Value)	1 mill	Educational Building Fund				76-6b01, 76-6b02
	.5 mill	Institutional Building Fund				76-6b04
Motor Carrier Property Tax		State General Fund				79-6a04, 6a10
		then	100%	Special City/County Highway Fund	15th of Jan, July	79-3425e, 3425i
Motor Vehicle Property Tax		County Treasurers				79-5109
		then, of State's 1.5 mills	2/3	Educational Building Fund	Oct 31, Jan 20, Mar 5, May 20,	79-5109
			1/3	Institutional Building Fund	July 20 and Sep 5	79-5109

**FY 2004 After-Refund Distribution of Selected State Taxes and Fees Collected by Kansas Department of Revenue**

	Amounts	Fund	Transfer	Fund	Transfer Dates	K.S.A.:
Vehicle Title and Registration Fees (b)		County Treasurers	then	remainder to State Highway Fund, & \$3.50 (\$3.50 eff.7/1/02) per title to Kansas Highway Patrol Mtr Veh Fund		8-145, 8-145d 8-145
Vehicle Dealers	50%	Dealers and Mfgr Fee Fund				8-2425
Full-Privilege Plates	50%	County Treasurer Veh Lic Fee Fund				
Veh Dealers Regular Plates		State Highway Fund				8-2418
Driver License Fees (c)	37.5% class C & 20% classes A, B, M & 20% CDL State Safety Fund 20% class M Motorcycle Safety Fund \$2 each CDL Truck Driver Training Fund balance State Highway Fund					8-267
DUI Reinstatement Fee	75% Alcohol Intoxication Program 25% Juvenile Detention Facility					8-241
Failure to Comply Reinstatement Fee (collected by court)	50% Vehicle Operating Fund 37.5% Alcohol Intoxication Program 12.5% Juvenile Detention Facility					8-2110
Liquor Gallonage Tax (d)	10% of alcohol & spirits to balance State General Fund	Community Alcoholism and Intoxication Programs Fund (KSA 41-1126)				41-501 41-501
Liquor Enforcement Tax		State General Fund				79-4108
Liquor Excise Tax	25% State General Fund, then					79-41a03
		if 70% to LALF is less than in CY 1981, difference transferred to LALF			15th of March	79-41a05
		70% Local Alcoholic Liquor Fund		to city/county where collected	15th of Mar, June, Sept, Dec	79-41a04
		5% Community Alcoholism and Intoxication Programs Fund (KSA 41-1126)			15th of Mar, June, Sept, Dec	79-41a03
Cereal Malt Beverage Tax		State General Fund				79-3829
Drycleaning Environmental Surcharge		Drycleaning Facility Release Trust Fund				65-34,141
Drycleaning Solvent Fees		Drycleaning Facility Release Trust Fund				

## Notes:

(a) Kansas Statutes Annotated. Abbreviations: Sess = Session Laws of Kansas; Ch = Chapter; § = Section; ¶ = Paragraph.

(b) County retains: 75¢ for each registration; \$2 for each title; \$2.25 registration service fee & in 1993 ID Card service fee; and up to \$9,800/year for extra compensation.

\$5 fee for registration of antique vehicles is retained (K.S.A. 8-157(b)). \$1.15 (\$1.00 eff.7/1/99) of each title application goes to the VIPS/CAMA Technology Hardware Fund.

Financial institutions seeking certificates of title on motor vehicles based upon repossession pay an additional \$3.00 fee. All of this fee is deposited into the Repossessed Certificates of Title Fee Fund.

(c) 20% of CDL Classes A, B and C (after a \$2 credit to Truck Driver Training Fund) goes to the State Safety Fund.

(d) the 10% is from alcohol and spirits collections only.

## County Comparison of Various State Tax Collections and Per Capita Tax Collections

The most current available tax year and fiscal year data is used for each tax type and is reflective of the tables within this report.

County	Individual Income		Sales Tax FY 04	Sales Tax (Per cap) FY 04	Vehicle Property TY 03	Vehicle Property (Per cap) TY 03	Real/Personal Property TY 03	Real/Personal Property (Per cap) TY 03
	Individual Income Tax Liability	Tax Liability (Per cap)						
	TY 02	TY 02						
Allen	\$4,484,074	\$315	\$5,897,666	\$424	\$1,301,012	\$91	\$9,624,824	\$676
Anderson	\$2,515,184	\$309	\$2,832,975	\$345	\$795,994	\$98	\$7,694,148	\$944
Atchison	\$5,385,135	\$323	\$6,750,559	\$403	\$1,510,607	\$91	\$13,501,943	\$809
Barber	\$1,642,090	\$323	\$2,659,230	\$528	\$618,570	\$122	\$7,433,967	\$1,462
Barton	\$10,263,755	\$370	\$17,528,045	\$638	\$3,621,309	\$131	\$25,309,434	\$912
Bourbon	\$4,374,373	\$288	\$6,016,045	\$399	\$1,543,585	\$102	\$10,969,680	\$723
Brown	\$2,864,371	\$273	\$3,611,718	\$346	\$867,946	\$83	\$8,717,776	\$830
Butler	\$3,725,615	\$557	\$24,092,082	\$394	\$7,322,891	\$121	\$52,401,565	\$866
Chase	\$855,012	\$292	\$763,031	\$246	\$263,192	\$90	\$4,146,249	\$1,415
Chautauqua	\$1,051,299	\$250	\$927,746	\$222	\$404,968	\$96	\$2,993,585	\$711
Cherokee	\$3,894,112	\$177	\$4,980,435	\$228	\$1,413,217	\$64	\$11,846,844	\$540
Cheyenne	\$710,904	\$228	\$976,598	\$330	\$222,037	\$71	\$3,432,148	\$1,099
Clark	\$789,574	\$331	\$577,047	\$247	\$346,314	\$145	\$5,115,626	\$2,148
Clay	\$2,850,783	\$328	\$3,314,479	\$387	\$925,014	\$106	\$7,889,668	\$906
Cloud	\$3,098,200	\$312	\$5,093,650	\$517	\$1,107,935	\$112	\$9,728,620	\$980
Coffey	\$4,138,828	\$465	\$3,457,085	\$392	\$499,773	\$56	\$30,471,138	\$3,423
Comanche	\$721,197	\$363	\$808,804	\$422	\$224,860	\$113	\$4,446,880	\$2,240
Cowley	\$13,621,535	\$374	\$14,713,853	\$410	\$3,592,423	\$99	\$28,877,371	\$793
Crawford	\$12,709,066	\$334	\$18,161,621	\$473	\$2,942,160	\$77	\$22,820,079	\$600
Decatur	\$978,865	\$287	\$845,218	\$257	\$350,502	\$103	\$3,820,847	\$1,121
Dickinson	\$7,312,566	\$382	\$8,181,375	\$425	\$1,754,188	\$92	\$14,247,750	\$744
Doniphan	\$1,536,724	\$187	\$1,595,858	\$196	\$535,694	\$65	\$6,298,532	\$767
Douglas	\$52,087,450	\$509	\$60,944,886	\$592	\$8,032,149	\$79	\$93,964,615	\$918
Edwards	\$984,092	\$295	\$913,729	\$279	\$409,428	\$123	\$5,394,444	\$1,617
Elk	\$670,908	\$214	\$796,627	\$252	\$284,756	\$91	\$3,130,142	\$997
Ellis	\$12,909,170	\$473	\$22,849,200	\$840	\$2,718,213	\$100	\$25,349,556	\$929
Ellsworth	\$2,365,641	\$369	\$1,953,984	\$308	\$800,662	\$125	\$7,289,982	\$1,136
Finney	\$12,912,674	\$325	\$24,768,136	\$632	\$3,130,828	\$79	\$44,398,243	\$1,117
Ford	\$12,326,775	\$377	\$19,571,661	\$593	\$3,546,318	\$109	\$30,896,993	\$946
Franklin	\$10,372,207	\$410	\$12,309,209	\$482	\$2,631,094	\$104	\$20,420,200	\$806
Geary	\$6,207,566	\$235	\$13,287,102	\$505	\$2,067,754	\$78	\$15,293,408	\$579
Gove	\$1,070,082	\$358	\$1,319,814	\$454	\$299,177	\$100	\$3,853,522	\$1,288
Graham	\$795,544	\$279	\$1,233,608	\$439	\$352,837	\$124	\$4,461,766	\$1,567
Grant	\$3,364,649	\$426	\$4,523,195	\$584	\$585,118	\$74	\$20,603,507	\$2,610
Gray	\$2,536,783	\$420	\$1,740,478	\$287	\$726,504	\$120	\$7,749,517	\$1,282
Greeley	\$580,962	\$395	\$545,738	\$384	\$216,189	\$147	\$3,615,758	\$2,456
Greenwood	\$2,186,231	\$286	\$2,018,835	\$270	\$813,075	\$106	\$7,531,148	\$984
Hamilton	\$973,668	\$366	\$911,315	\$342	\$337,208	\$127	\$7,098,365	\$2,671
Harper	\$2,016,176	\$321	\$2,767,218	\$446	\$851,132	\$136	\$8,325,407	\$1,326
Harvey	\$15,528,091	\$465	\$16,302,923	\$487	\$2,970,720	\$89	\$25,134,925	\$753
Haskell	\$1,662,148	\$387	\$1,405,835	\$331	\$367,497	\$86	\$12,177,682	\$2,838
Hodgeman	\$611,065	\$284	\$436,620	\$203	\$283,198	\$132	\$3,991,409	\$1,857
Jackson	\$5,194,381	\$408	\$5,039,956	\$387	\$1,150,636	\$90	\$8,192,370	\$643
Jefferson	\$8,655,080	\$464	\$3,607,695	\$192	\$2,060,150	\$110	\$14,281,683	\$765
Jewell	\$865,320	\$248	\$690,301	\$201	\$389,991	\$112	\$4,666,461	\$1,335
Johnson	\$408,661,277	\$858	\$431,171,107	\$886	\$60,268,859	\$126	\$666,928,615	\$1,400
Kearny	\$1,563,925	\$344	\$1,038,303	\$226	\$297,595	\$66	\$15,973,561	\$3,516
Kingman	\$3,230,622	\$383	\$2,678,443	\$320	\$993,130	\$118	\$9,772,070	\$1,160
Kiowa	\$1,060,937	\$341	\$1,248,994	\$396	\$398,577	\$128	\$6,212,440	\$1,999
Labette	\$6,622,219	\$297	\$8,576,667	\$385	\$2,142,682	\$96	\$15,480,737	\$695
Lane	\$761,164	\$381	\$578,891	\$297	\$293,063	\$147	\$3,640,006	\$1,820
Leavenworth	\$25,541,471	\$361	\$24,516,971	\$343	\$7,026,334	\$99	\$50,379,003	\$712
Lincoln	\$906,873	\$256	\$827,838	\$237	\$405,379	\$114	\$4,784,073	\$1,351
Linn	\$2,940,396	\$304	\$2,329,750	\$240	\$766,602	\$79	\$13,991,646	\$1,446
Logan	\$998,957	\$333	\$1,371,575	\$480	\$329,644	\$110	\$4,287,846	\$1,430
Lyon	\$13,465,996	\$375	\$18,753,734	\$524	\$3,224,076	\$90	\$26,912,788	\$750
Marion	\$4,463,138	\$337	\$3,761,826	\$283	\$1,188,262	\$90	\$11,420,447	\$862
Marshall	\$4,177,394	\$395	\$4,615,909	\$436	\$1,078,186	\$102	\$10,010,061	\$946
McPherson	\$18,377,022	\$625	\$15,955,362	\$544	\$2,956,088	\$101	\$31,310,062	\$1,064

## County Comparison of Various State Tax Collections and Per Capita Tax Collections

The most current available tax year and fiscal year data is used for each tax type and is reflective of the tables within this report.

County	Individual Income		Sales Tax (Per cap) FY 04	Sales Tax (Per cap) FY 04	Vehicle Property TY 03	Vehicle Property (Per cap) TY 03	Real/Personal Property TY 03	Real/Personal Property (Per cap) TY 03
	Individual Income Tax Liability	Tax Liability (Per cap)						
	TY 02	TY 02						
Meade	\$1,395,908	\$302	\$1,297,945	\$278	\$444,712	\$96.3	\$9,847,273	\$2,131
Miami	\$14,276,160	\$494	\$12,782,425	\$438	\$3,368,855	\$116.6	\$29,563,472	\$1,023
Mitchell	\$2,674,412	\$400	\$3,628,368	\$541	\$840,507	\$125.6	\$6,846,865	\$1,023
Montgomery	\$10,891,542	\$308	\$17,795,594	\$509	\$3,716,172	\$105.3	\$28,394,722	\$804
Morris	\$2,092,941	\$344	\$2,114,497	\$353	\$549,988	\$90.4	\$5,428,375	\$893
Morton	\$1,419,005	\$422	\$1,571,624	\$474	\$267,007	\$79.5	\$11,840,759	\$3,524
Nemaha	\$3,952,110	\$378	\$3,771,117	\$359	\$1,026,544	\$98.1	\$8,775,774	\$839
Neosho	\$5,434,667	\$327	\$9,526,966	\$575	\$1,996,088	\$120.0	\$12,645,594	\$760
Ness	\$1,163,314	\$351	\$1,943,638	\$615	\$434,903	\$131.2	\$5,357,844	\$1,616
Norton	\$1,770,342	\$301	\$2,162,914	\$373	\$591,658	\$100.6	\$5,068,132	\$862
Osage	\$6,441,109	\$381	\$3,879,403	\$231	\$1,474,062	\$87.1	\$11,354,626	\$671
Osborne	\$1,146,394	\$271	\$1,638,959	\$392	\$496,008	\$117.1	\$4,657,286	\$1,099
Ottawa	\$2,424,498	\$386	\$1,345,885	\$218	\$699,804	\$111	\$6,458,506	\$1,027
Pawnee	\$2,253,316	\$324	\$2,453,386	\$361	\$881,760	\$127	\$7,719,798	\$1,111
Phillips	\$1,847,963	\$315	\$2,276,566	\$402	\$636,979	\$108	\$6,136,741	\$1,045
Pottawatomie	\$7,794,610	\$422	\$16,287,617	\$870	\$1,303,841	\$71	\$27,484,282	\$1,487
Pratt	\$4,075,977	\$427	\$6,766,910	\$717	\$1,329,084	\$139	\$13,013,717	\$1,364
Rawlins	\$1,023,305	\$354	\$729,234	\$257	\$330,782	\$115	\$4,253,954	\$1,473
Reno	\$27,918,347	\$438	\$39,829,680	\$624	\$6,460,628	\$101	\$61,222,722	\$960
Republic	\$1,514,986	\$277	\$1,764,870	\$333	\$625,369	\$114	\$6,746,334	\$1,234
Rice	\$3,323,263	\$316	\$3,209,899	\$308	\$1,146,320	\$109	\$12,593,516	\$1,199
Riley	\$22,191,836	\$361	\$27,907,947	\$448	\$4,159,997	\$68	\$35,998,539	\$586
Rooks	\$1,627,191	\$296	\$2,224,629	\$411	\$685,803	\$125	\$6,930,567	\$1,262
Rush	\$1,092,746	\$313	\$783,573	\$229	\$426,012	\$122	\$4,790,759	\$1,372
Russell	\$2,335,482	\$331	\$3,184,471	\$461	\$961,665	\$136	\$9,091,826	\$1,289
Saline	\$26,565,495	\$493	\$43,598,195	\$811	\$5,175,216	\$96	\$46,297,292	\$859
Scott	\$2,205,870	\$448	\$2,429,571	\$506	\$629,116	\$128	\$8,130,797	\$1,652
Sedgwick	\$286,976,431	\$621	\$330,053,418	\$713	\$44,736,765	\$97	\$370,794,859	\$803
Seward	\$6,935,265	\$301	\$16,155,575	\$700	\$1,748,110	\$76	\$23,315,180	\$1,011
Shawnee	\$98,882,957	\$579	\$121,271,467	\$710	\$19,288,557	\$113	\$171,047,328	\$1,002
Sheridan	\$1,063,162	\$403	\$909,416	\$342	\$327,918	\$124	\$3,568,693	\$1,351
Sherman	\$2,194,129	\$343	\$4,333,695	\$690	\$631,526	\$99	\$6,669,549	\$1,042
Smith	\$1,194,821	\$274	\$1,365,752	\$327	\$474,114	\$109	\$5,164,666	\$1,183
Stafford	\$1,287,184	\$276	\$1,461,774	\$319	\$588,491	\$126	\$7,966,412	\$1,709
Stanton	\$885,383	\$367	\$687,322	\$286	\$231,662	\$96	\$8,098,599	\$3,360
Stevens	\$2,227,451	\$418	\$2,047,603	\$380	\$317,849	\$60	\$17,523,707	\$3,287
Sumner	\$9,968,598	\$390	\$7,157,532	\$283	\$2,857,662	\$112	\$22,843,150	\$895
Thomas	\$3,038,001	\$375	\$5,619,840	\$708	\$876,775	\$108	\$9,867,422	\$1,219
Trego	\$936,606	\$298	\$1,262,394	\$407	\$376,998	\$120	\$4,529,839	\$1,443
Wabaunsee	\$2,921,439	\$435	\$1,154,810	\$171	\$684,854	\$102	\$7,013,456	\$1,044
Wallace	\$460,724	\$272	\$497,748	\$307	\$167,545	\$99	\$2,839,323	\$1,678
Washington	\$1,757,005	\$280	\$1,487,707	\$243	\$698,141	\$111	\$7,475,669	\$1,192
Wichita	\$979,521	\$391	\$694,986	\$284	\$292,264	\$117	\$4,454,038	\$1,780
Wilson	\$3,087,148	\$304	\$2,826,720	\$280	\$929,258	\$92	\$7,071,753	\$697
Woodson	\$858,990	\$234	\$838,778	\$231	\$364,677	\$99	\$3,566,063	\$972
Wyandotte	\$44,658,155	\$282	\$79,673,410	\$507	\$17,185,969	\$109	\$157,034,282	\$992
<b>Total</b>	<b>\$1,526,423,154</b>	<b>\$562</b>	<b>\$1,647,554,383</b>	<b>\$605</b>	<b>\$281,995,318</b>	<b>\$104</b>	<b>\$2,778,207,194</b>	<b>\$1,023</b>

Notes: Individual income tax liability total includes Kansas residents with no county indicator.

# Selected 2004 Enacted Kansas Legislation Administered by the Department

## Economic Development

**Senate Bill 334** provides for a new income tax credit for agri-tourism development.

**Senate Bill 395** amends the tax increment financing law to allow any redevelopment district established prior to January 1, 2003, to continue to receive transient guest, sales and use taxes from taxpayers, whether or not revenues from such taxes are received by the city.

**House Bill 2647** establishes the Bioscience Authority, setting forth its powers and functions. The bill further creates the Bioscience Development Investment Fund which will not be a part of the state treasury. Funds in the Bioscience Development Investment Fund would belong exclusively to the Authority. The Secretary of Revenue and the Authority would establish the base year of taxation for all bioscience companies and all state universities conducting bioscience research in the state. The Secretary of Revenue, the Authority, and the Board of Regents would establish the number of bioscience employees associated with state universities and report annually and determine the taxation base annually for the following 15 years from the effective date of the Act. However, only 95.0 percent of withholding taxes based on wages paid to bioscience employees would be transferred to the EIIAIF. All of the incremental state taxes generated by the growth of bioscience companies and research institutions over and above the base taxation year would go into the Fund. The baseline amount of state taxes would go to the State General Fund each year. The Bioscience Development Investment Fund would be used to fund programs and repay bonds.

Bioscience Development Financing Act would create a tax increment financing district for bioscience development. One or more bioscience development projects could occur within an established bioscience development district. The process for establishing the district would follow the tax increment financing statutes. However, no bioscience development district can be established without the approval of the Authority. The bill would allow counties to establish bioscience development districts in unincorporated areas. K DFA may issue special obligation bonds to finance a bioscience development project. The bonds would be paid with ad valorem tax increments, private sources, contributions, or other financial assistance from the state and federal government. In addition, the bill would create the Bioscience Development Bond Fund which would be managed by the Authority and not be part of the state treasury. A separate account will be created for each bioscience development district (BDD) and distributions will pay for the bioscience development project costs in a BDD.

Starting on January 1, 2006 and annually thereafter, the secretary of revenue is required to annually report to the legislature on the cost effectiveness of sales tax and income tax incentive programs.

Kansas, Inc. is required to include in its annual K.S.A. 74-8004 tax incentive report an evaluation of the effectiveness of the Bioscience Authority activities.

The IMPACT Program is amended to allow the secretary of commerce to make direct investments of work force development funds with state institutions. The ceiling for amounts credited to the IMPACT program repayment fund (from Kansas withholding taxes) that can be used for bond repayment is raised from 10% to 20% of 1.5% (this increases to 2% effective 7/1/05) of all Kansas withholding taxes.

The angel investor tax credit act replaces the venture capital investment tax credit program, effective for tax years 2005 and thereafter. The program is to be administered by KTEC and provides for a tax credit equal to 50% of the contribution for "seed capital" funds (cash investment in the securities of a qualified business), with an annual cap of \$2 million in credits allowed per year, and a cumulative limit of \$20 million in credits allowed over the life of the program. Individual investors can claim no more than \$50,000 in credits per year per business, with a limit of investments in no more than 5 qualified businesses per year. The tax credit program expires in tax year 2016. The secretary of commerce will supply annually to the department of revenue a report on the effectiveness of the program.

The downtown redevelopment act and program is established, allowing cities to establish downtown redevelopment areas with the department of commerce, and providing for property tax increment financing.

## Property Tax

**House Sub. for Senate Bill 147** amends KSA 79-201f, to repeal an exemption for certain personal property moving in interstate commerce; and KSA 79- 5a01, to clarify that the definition of public utility would include brokers that now or hereafter own, control, and hold for resale stored natural gas.

The bill also expands the Homestead Property Tax Refund Program effective for TY 2004 by increasing the upper threshold income level from \$25,000 to \$26,300.

## Selected 2004 Enacted Kansas Legislation Administered by the Department

It expands retroactive to TY 2003 a property tax exemption for business aircraft to replace a requirement that the aircraft be "actually and regularly used exclusively" to earn income for owners with a requirement that the aircraft be used "predominantly" for such purpose.

**Senate Sub. for House Bill 2375** amends the definition of "residential" for property tax classification purposes to provide that such term would include land and improvements used to store household goods and personal effects not used for the production of income, even when such land and improvements are not contiguous to land accommodating a dwelling or home.

It provides that the property tax exemption for household goods and personal effects would be extended to such items used in the home for "bed and breakfast home purposes" as defined in KSA 79-1439.

It amends KSA 79-1439 to clarify that residential real property used for bed and breakfast home purposes would be eligible for the 11.5 assessment rate applicable to other residential property. A bed and breakfast home would be defined to include residences with five or fewer bedrooms available for overnight guests who stay for not more than 28 consecutive days and for which there is compliance with all zoning and other ordinances or laws pertaining to facilities which lodge and feed guests.

It amends an exemption relating to not-for-profit cooperative housing projects approved by the US Department of Housing and Urban Development (HUD). Under the new language, projects obtaining financing from entities other than HUD would be able to retain their property tax exemption, provided that the articles of incorporation or by-laws are amended to require that the corporations will continue to operate in compliance with certain HUD affordability income guidelines.

### Taxation

**Senate Bill 141** creates a centralized administrative appeals office, to be phased in over several years, so that by July 1, 2009, practically all administrative hearings (with some limited exceptions) pursuant to the Kansas Administrative Procedures Act will be handled by this office on behalf of all state agencies, although agency heads will have the option of conducting the hearings.

The provision requiring that cigarette manufacture license violation hearings be conducted in Topeka at the Director of ABC's office is deleted, effective July 1, 2007.

**House Sub. for Senate Bill 147** authorizes retailers, prior to January 1, 2005, to elect to utilize origin-based sales tax sourcing provisions in effect on June 30, 2003, as an alternative to the destination-based sourcing provisions which became effective July 1, 2003. On and after January 1, 2005, all retailers would be required to be in full compliance with the destination-sourcing provisions. The Secretary of Revenue subsequently would be authorized to waive penalties and interest that would otherwise be imposed relative to the failure of taxpayers to properly implement destination sourcing, provided such failure is due to "reasonable" causes. (streamlined sales tax issue).

It amends the sales tax law to provide that in the case of isolated sales of motor vehicles or trailers, the tax would be charged on the greater of the stated selling price or the valuation of the motor vehicles or trailers pursuant to the motor vehicle tax law (KSA 79-5105 *et seq.*).

It also allows those public water supply systems which did not previously avail themselves of an option to impose a clean water drinking fee in exchange for obtaining a sales tax exemption to again have that opportunity on and after January 1, 2005.

In addition, it extends several sales tax exemptions; decelerates from monthly to quarterly the sales tax filing requirements for retailers with annual liability of \$1,600 to \$3,200; requires the Secretary of Revenue to adopt rules and regulations regarding the filing of documentation to support income, premiums, and privilege tax credits claimed to help offset a portion of property taxes actually and timely paid for commercial and industrial machinery and equipment.

It requires individuals to make Kansas estimated tax payments if they reasonably expect to owe, after withholding and credits, tax of at least \$500. Under current law, estimated tax payments are due if the expected liability is at least \$200.

It reduces, effective for TY 2004 and thereafter, the rate of the franchise tax from 0.2 percent of shareholder equity or net worth to 0.125 percent. The maximum liability "cap" of \$5,000 under current law also would be increased to \$20,000; and a new exemption would be provided for entities with equity or net worth of \$100,000 or less. Administration of the franchise tax based on shareholder equity or net worth would be relocated from the Secretary of State to the Department of Revenue. Corporations and associations, limited liability companies, limited partnerships, and business trusts would be required to file annual returns with the Director of Taxation and remit the franchise tax liability before April 15 of each year.

## Selected 2004 Enacted Kansas Legislation Administered by the Department

**Senate Bill 384** is a highway finance bill that makes permanent the 5.3% state sales and use tax rate and increases the fraction of the state sales tax revenue transferred to the state highway fund, starting July 1, 2006 (19/265), increasing that fraction again effective July 1, 2007 (13/106).

**Senate Sub. for House Bill 2375** makes a number of changes in various state and local tax laws. It authorizes cities to establish redevelopment districts to finance the investigation and remediation of certain floodplains. Cities would be authorized to establish an annual floodplain increment in property taxes, provided that the increment could not exceed 20 percent of the amount of taxes produced in the year the redevelopment districts were first established.

The bill provides a motor fuel tax exemption for the sale of kerosene used as a fuel to power antique steam motor vehicles first manufactured prior to 1940.

It makes clarifying changes to language in the motor fuel tax refund statute, KSA 79-3458, regarding necessary documentation by authorizing invoices or self-generated lists approved by the Director of Taxation; and by further eliminating the current requirement that only hard-copy original invoices are acceptable for documentation purposes.

It replaces the formal appeal process for drug tax assessments, currently under the Kansas Administrative Procedures Act (KAPA), with an informal conference process similar to that used currently for income and sales tax administrative appeals.

In addition, it requires, as of January 1, 2005, organizations with entity-based sales tax exemptions to apply for identification numbers from the Department of Revenue, which would subsequently be required to be shown on exemption certificates presented to retailers.

It also increases the mineral severance tax minimum production exemption renewal period from one year to two years on oil wells and oil production leases. The bill also adds the definition of "lease number", *i.e.*, the number assigned by the director of taxation to identify each well, lease, or combination of wells within a lease.

**House Bill 2545** provides a new subtraction from federal adjusted gross income, beginning in tax year 2005 and thereafter, for up to \$500 in tax year 2005, \$600 in tax year 2006, \$700 in tax year 2007, \$800 for tax year 2008, \$900 for tax year 2009, and \$1,000 for tax years 2010 and thereafter for qualified long-term care insurance premiums.

**House Bill 2682** provides a number of requirements for individuals and companies selling cigarettes over the Internet, telephone, or by any other type of mail-order transaction.

### Vehicles

**Senate Bill 141** in relation to the Department of Revenue, effective July 1, 2008, motor vehicle dealer's license violation hearings on tag violations are to be conducted by the office of administrative appeals. Also effective that date, any other hearings governed by KAPA arising at the department must be heard either by the agency head or by the office of administrative appeals.

**Senate Bill 147** changes the method for determining sales tax on isolated and occasional sales. It states the base for computing sales tax shall be the stated selling price of the motor vehicle or the property tax value, whichever is higher.

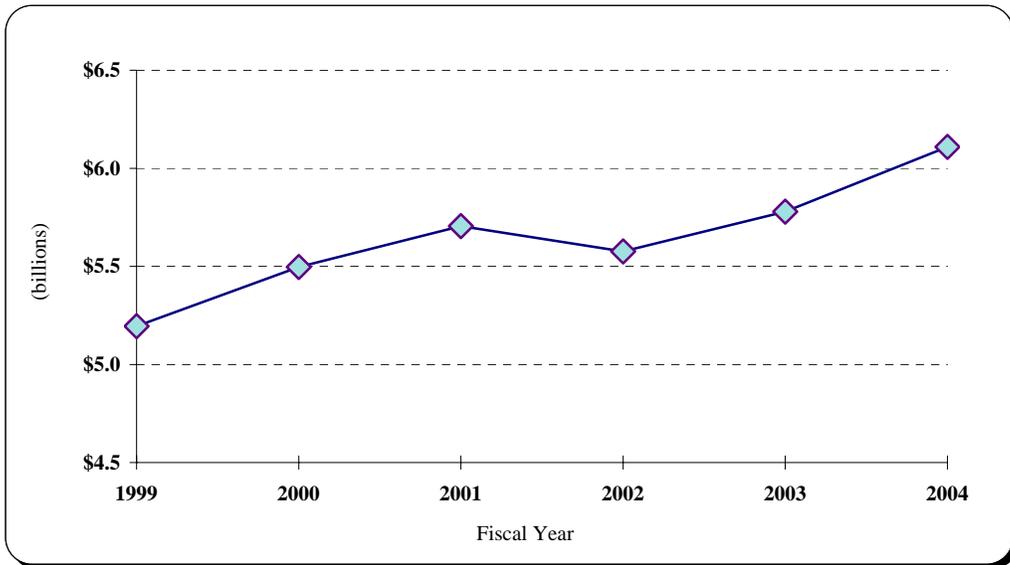
**Senate Sub. for House Bill 2375** requires the suspension or revocation of vehicle dealers' licenses when such dealers are delinquent in sales or withholding taxes for three consecutive months. (HB 2648)

**Senate Substitute for House Bill 2404** is a bill relating to drivers' licenses and identification cards. The bill rolls two bills introduced earlier this session. It eliminates the use of a taxpayer identification number, if the applicant does not have a social security number, on drivers' licenses or ID cards. It also relates to medical information reported to the Division of Vehicles concerning drivers' licenses.

**House Bill 2563** effective January 1, 2005, Kansas residents in the full-time military stationed outside of Kansas may have up to 2 motor vehicles exempt from property tax during such period.

## Total Department of Revenue Collections before Refunds

Total Department of Revenue Collections (before refunds) increased by 5.7% compared to the prior fiscal year.

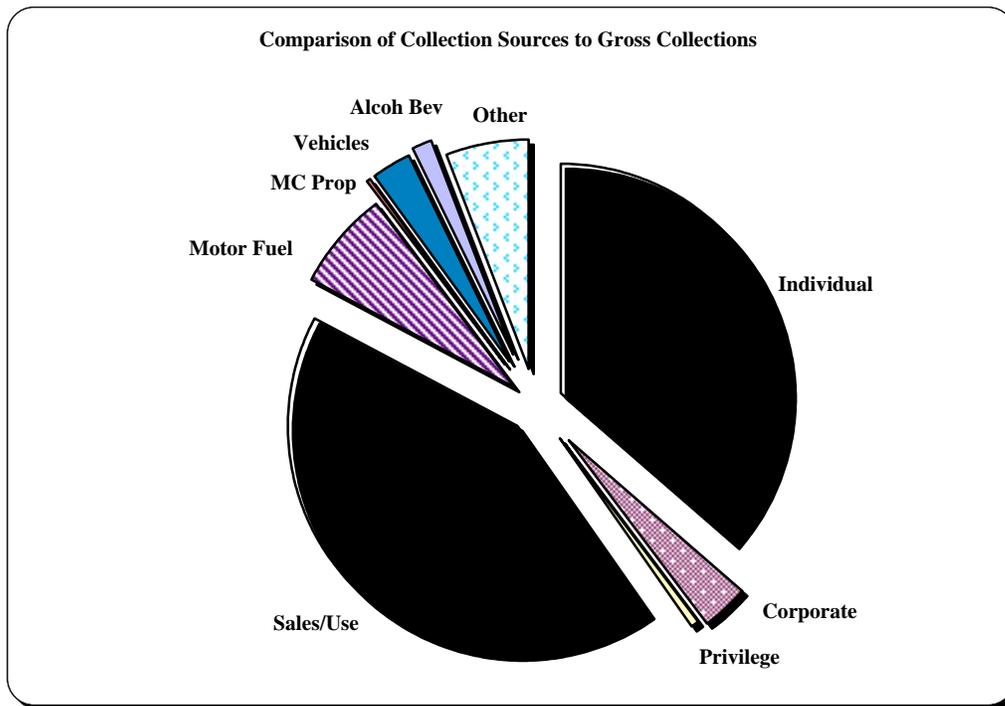


<u>Fiscal Year</u>	<u>Total Collections</u>	<u>Percent Change</u>
1999	\$5,194,746,208	1.3%
2000	\$5,496,683,408	5.8%
2001	\$5,705,035,779	3.8%
2002	\$5,576,277,974	-2.3%
2003	\$5,779,179,466	3.6%
2004	\$6,109,082,577	5.7%

*Note: FY 2002 revised*

## Gross Total Collections and by Source

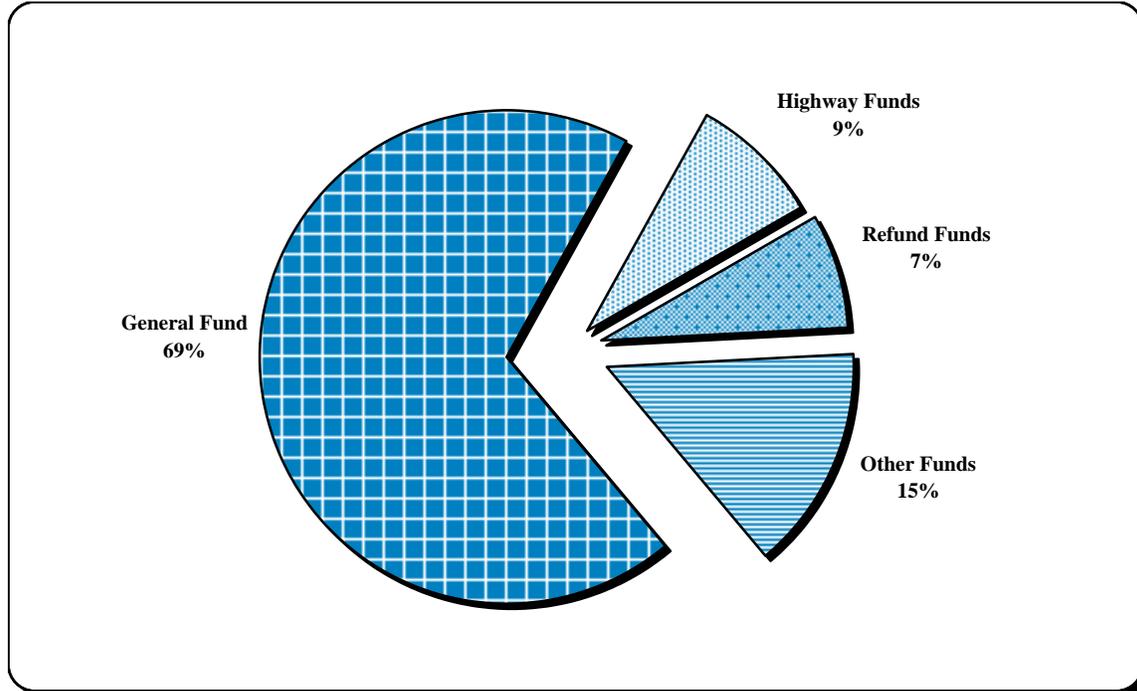
Collections by Department of Revenue



<u>Source</u>	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2004</u>	<u>Percent Change</u>	<u>Percent of FY2004 Total</u>
Individual Income Taxes	\$2,101,042,052	\$2,227,290,739	6.0%	36.5%
Corporate Income Taxes	\$204,725,286	\$207,581,221	1.4%	3.4%
Privilege Taxes	\$33,137,296	\$27,143,598	-18.1%	0.4%
State and Local Sales and Use Taxes	\$2,442,600,272	\$2,586,715,224	5.9%	42.3%
Motor Fuel Taxes	\$417,801,358	\$429,032,527	2.7%	7.0%
Property Taxes: Motor Carrier	\$16,382,410	\$19,782,224	20.8%	0.3%
Division of Vehicles	\$159,683,489	\$169,999,255	6.5%	2.8%
Alcoholic Beverage Control	\$87,032,088	\$90,888,490	4.4%	1.5%
Other Taxes and Fees	<u>\$316,775,215</u>	<u>\$350,649,299</u>	10.7%	5.7%
<b>Total</b>	<b>\$5,779,179,466</b>	<b>\$6,109,082,577</b>	<b>5.7%</b>	<b>100.0%</b>

Other taxes and fees include: bingo; drycleaning; transient guest; cigarette; tobacco; controlled substances; estate; minerals; gas oil and sand royalties; car line; bonds; licenses; and fees.

## Total Department of Revenue Collections by Distribution to Fund



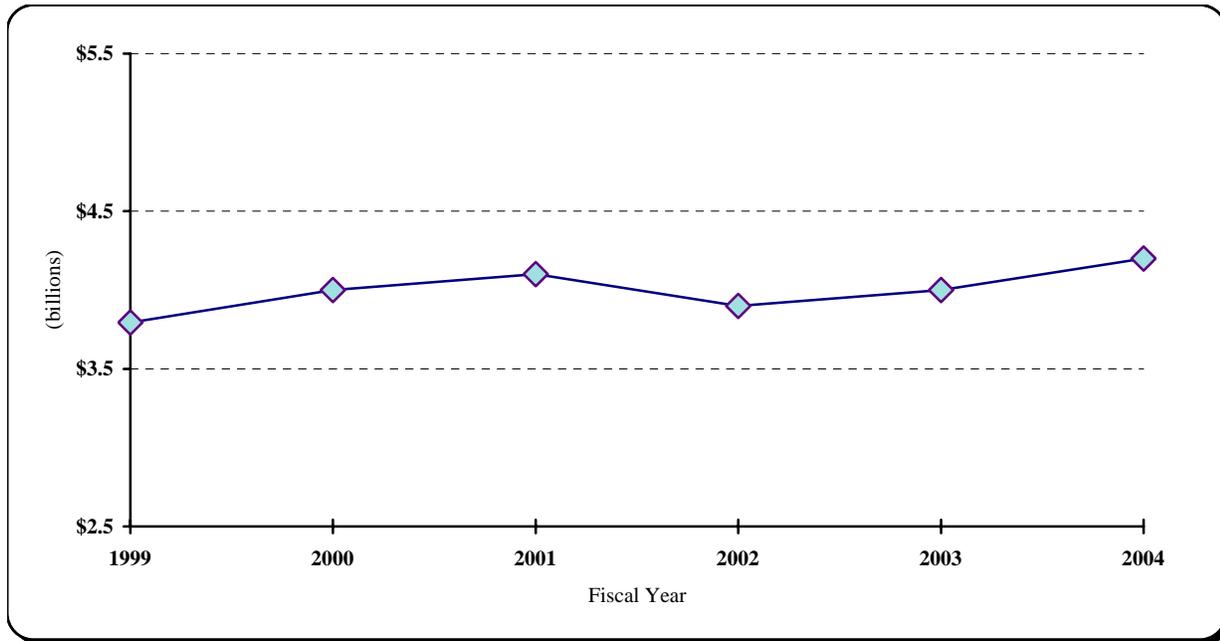
<u>Fund</u>	<u>Fiscal Year</u> <u>2003</u>	<u>Fiscal Year</u> <u>2004</u>	<u>Percent</u> <u>Change</u>	<u>Fiscal Year</u> <u>2004</u> <u>Percent</u> <u>Total</u>
State General Fund	\$4,018,938,592	\$4,230,820,531	5.3%	69.3%
All Highway Funds	\$649,713,018	\$525,644,182	-19.1%	8.6%
All Refund Funds	\$469,717,152	\$448,757,614	-4.5%	7.3%
Other Funds	<u>\$640,810,704</u>	<u>\$903,860,250</u>	41.0%	<u>14.8%</u>
Total	\$5,779,179,466	\$6,109,082,577	5.7%	100.0%

Other Funds include: local transient guest; various vehicle and driver license funds; county mineral production funds; various local alcohol funds; sand royalty fund; etc.

## State General Fund Total Collections and by Source (Net of Refunds)

Collections by Department of Revenue

Fiscal Year 2004 State General Fund Collections increased by 5.3% compared to the prior fiscal year.



### General Fund Collections by Source

<u>Source</u>	<u>Fiscal Year</u> <u>2003</u>	<u>Fiscal Year</u> <u>2004</u>	<u>Percent</u> <u>Change</u>
Motor Carrier Property Tax *	\$15,729,081	\$19,497,652	24.0%
Individual Income Tax	\$1,750,054,137	\$1,888,431,039	7.9%
Corporate Income	\$105,222,316	\$141,172,918	34.2%
Privilege	\$31,119,555	\$25,435,185	-18.3%
Estate Tax	\$46,951,948	\$48,064,151	2.4%
Sales Tax	\$1,567,721,762	\$1,612,066,627	2.8%
Use Tax	\$225,923,323	\$214,503,105	-5.1%
Alcoholic Beverage Taxes, Fees, Fines	\$64,673,797	\$67,502,495	4.4%
Cigarette/Tobacco Tax	\$133,759,678	\$124,586,274	-6.9%
Mineral Tax	\$72,775,126	\$84,639,220	16.3%
Other **	<u>\$5,007,869</u>	<u>\$4,921,865</u>	-1.7%
<b>Total</b>	<b>\$4,018,938,592</b>	<b>\$4,230,820,531</b>	<b>5.3%</b>

Note: FY 2002 "Other" revised

\* Like amount is transferred to Special County/City Highway Fund.

\*\* Other includes: bingo; controlled substances; gas, oil and mineral royalties; car line; bonds; licenses; and fees.