

STATE OF KANSAS



DEPARTMENT OF REVENUE ANNUAL STATISTICAL REPORT

**FISCAL YEAR ENDING
JUNE 30, 2005**

Table of Contents

Introduction

Department Officials-----	1
Organizational Chart-----	2
Telephone and FAX Numbers-----	3
Comparison of Kansas and Selected States-----	4
Tax Rates-----	9
Distribution of Taxes and Fees-----	10
By County, Income, Sales, Vehicle Property and Real Property Taxes and Per Capita--	12
Legislative Summary-----	14
Total Revenue Collections-----	17
State General Fund Collections-----	20

Division of Tax Operations

Income and Sales Tax Calendar-----	21
Individual Income Tax-----	22
Corporate Income and Privilege Tax-----	28
Kansas Department of Revenue Tax Credits-----	31
Estate (Inheritance) Tax-----	32
Sales and Use Tax-----	33
Motor Fuel Tax-----	46
Mineral Tax-----	49
Cigarette, Tobacco, and Bingo Taxes-----	55
Food Sales and Homestead Refunds-----	58
Audit Assessments-----	60
Audit Collections-----	61

Division of Property Valuation

Statewide Assessed Values and Taxes-----	62
Real and Personal Property Taxes Levied-----	65
Average Countywide Levies per \$1,000 Assessed Valuation-----	67
Preliminary Property Taxes Levied by County-----	69
Motor Vehicle Property Tax by County-----	70

Division of Vehicles

Vehicle and Driver License Fees-----	72
Total Vehicle Revenue Collections-----	73
Motor Vehicle Registrations-----	75
Driver Licensing-----	79

Division of Alcoholic Beverage Control

Gallorage Tax-----	81
Liquor Excise Tax-----	82
Liquor Enforcement Tax-----	83
Total Taxes and Fees and Number of Licenses-----	84
Liquor-by-the-Drink-----	85

DEPARTMENT OFFICIALS

JANUARY 2006

Joan Wagnon
Secretary of Revenue

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

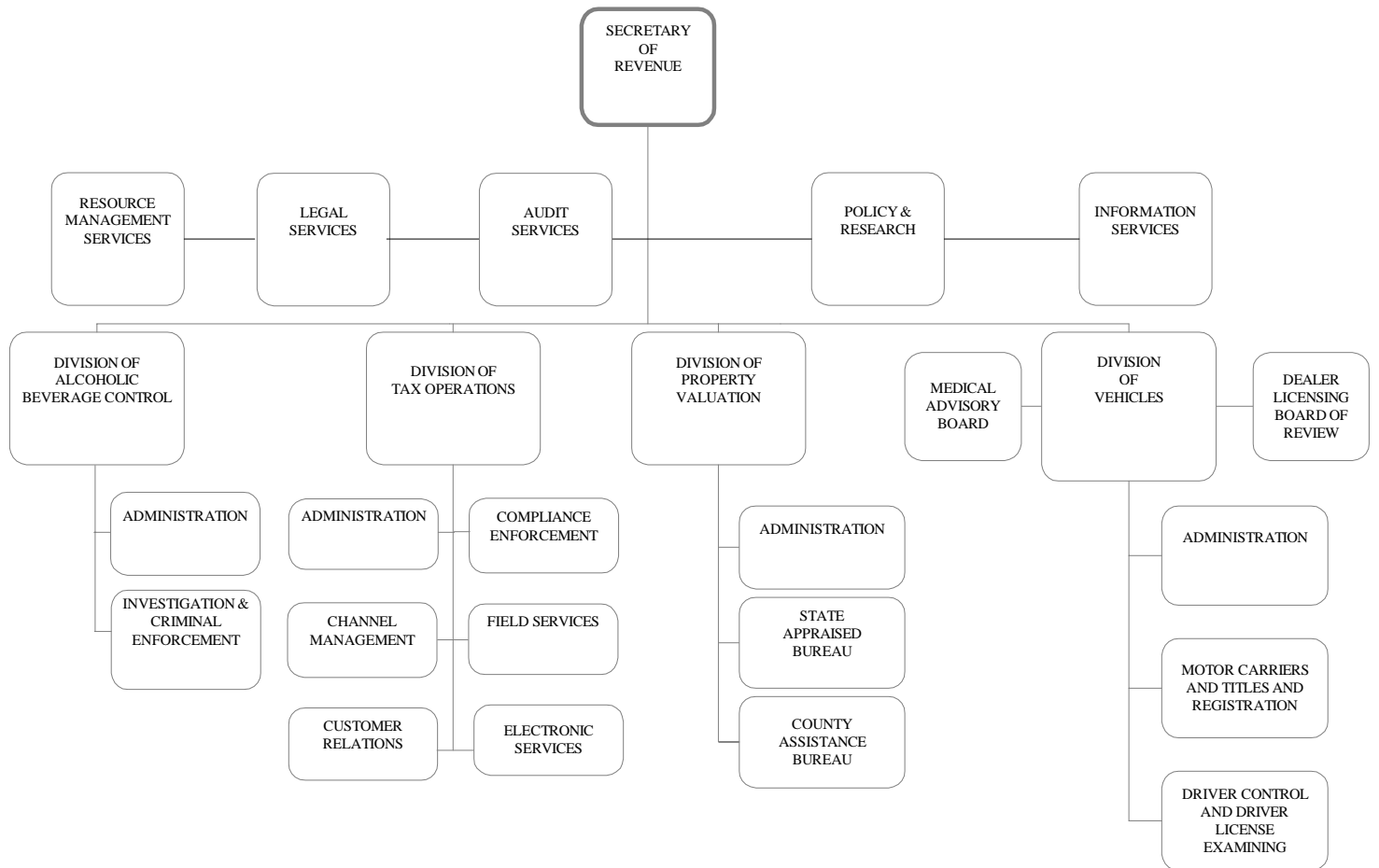
Steve Stotts, Director
Division of Tax Operations
Channel Management
Customer Relations
Compliance Enforcement
Field Services
Electronic Services

Mark Beck, Director
Division of Property Valuation
State Appraised
County Assistance

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

ORGANIZATION CHART
KANSAS DEPARTMENT OF REVENUE

January 1, 2006



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	Drycleaning Envir Surcharge & Solvent Fee	(785) 368- 8222
TTY (Hearing Impaired)	(785) 296-	3613	Electronic Filing	(785) 296- 4066
			Environmental Assurance Fee	(785) 368- 8222
			Fiduciary	(785) 368- 8222
			Food Sales Tax Refund Unit	(785) 368- 8222
For registration to remit taxes:			Homestead Tax Refund Unit	(785) 368- 8222
Sales, Use, Excise, Withholding	(785) 368-	8222	Individual Income Estimated Tax	(785) 368- 8222
			Individual Income Tax	(785) 368- 8222
Billing and tax inquiries:			Inheritance Tax	(785) 368- 8222
Taxpayer Assistance Center for Topeka	(785) 368-	8222	Intangibles Tax	(785) 368- 8222
Refund Information Line	1(800)894-	0318	Liquor Enforcement Tax	(785) 368- 8222
			Liquor Excise Tax	(785) 368- 8222
			Mineral Taxes	(785) 368- 8222
For audit inquiries:			Motor Carrier Central Permit	(785) 296- 2356
Audit Services Bureau	(785) 296-	7719	Motor Carrier Services	(785) 271- 3145
			Motor Fuel Taxes	(785) 368- 8222
For legal inquiries:			Sales and Use Tax	(785) 368- 8222
Legal Services Bureau	(785) 296-	2381	Sand Royalty	(785) 296- 3500
			Tax Appeals Section	(785) 296- 8460
For revenue collection statistical inquiries:			Tire Excise Tax	(785) 368- 8222
Office of Policy and Research	(785) 296-	3082	Transient Guest Tax	(785) 368- 8222
			Vehicle Rental Excise Tax	(785) 368- 8222
Department Regional Offices Telephone Numbers:			Vehicle Titles and Registration	(785) 296- 3621
Kansas City Metro Assistance Center	(913) 631-	0296	Water Protection Fee	(785) 368- 8222
Wichita Audit Office	(316) 337-	6163	Withholding Tax	(785) 368- 8222
Wichita Collections Office	(316) 337-	6153		
Wichita Assistance Center	(316) 337-	6140		

FAX Numbers:				
Alcoholic Beverage Control	(785) 296-	7185	Kansas City Metropolitan Assistance Center	(913) 631- 6215
Audit Services	(785) 296-	0531	Motor Carrier Services	(785) 271- 3283
Customer Relations-Business Segment	(785) 296-	2073	Motor Carrier Services Central Permit	(785) 271- 3124
Customer Relations-IFTA	(785) 296-	2703	Personnel Services	(785) 296- 1107
Customer Relations-Motor Fuel	(785) 296-	4993	Property Valuation Division	(785) 296- 2320
Customer Relations-Wage Earner	(785) 296-	8989	Secretary of Revenue & Secretariat	(785) 368- 8392
Driver Control	(785) 296-	6851	Taxation, Director's Office	(785) 296- 8974
Driver License: Kansas City Regional	(913) 287-	9323	Taxpayer Assistance	(785) 291- 3614
Driver License: Topeka, Docking	(785) 296-	0691	Titles and Registration	(785) 296- 3852
Driver License: Topeka, Burlingame	(785) 266-	7382	Wichita Audit Office	(316) 337- 6162
Driver License: Wichita, Parklane	(316) 682-	8125	Wichita Collections Office	(316) 337- 6162
Driver License: Wichita, Meridian	(316) 942-	5281		

Comparison of Kansas and Selected States, Various Tax Rates - 2004

	Beer Per Gallon Alcoholic Content of 4.5%¹	Light Wine Per Gallon Alcoholic content of 12%	Cigarette Per Pack of 20	Motor Fuel Per Gallon
Colorado	\$0.08	\$0.28	\$0.84	\$0.22
Iowa	\$0.19	\$1.75	\$0.36	\$0.203
Kansas	\$0.18	\$0.30	\$0.79	\$0.24
Missouri	\$0.06	\$0.36	\$0.17	\$0.1703
Nebraska	\$0.31	\$0.95	\$0.64	\$0.254
Oklahoma	\$0.40	\$0.72	\$1.03	\$0.17

¹ 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, 2004, Govt of the District of Columbia

Comparison of Kansas and Selected States, Personal Income

Per Capita Personal Income

	<u>2000*</u>	<u>2001*</u>	<u>2002*</u>	<u>2003*</u>	<u>2004</u>	2003-04 <u>% change</u>	Descending	
							<u>Rank</u> <u>2003</u>	<u>Rank</u> <u>2004</u>
Colorado	\$33,371	\$34,482	\$34,032	\$34,542	\$36,109	4.5%	1	1
Iowa	\$26,554	\$27,178	\$28,107	\$28,562	\$30,970	8.4%	5	4
Kansas	\$27,694	\$28,662	\$28,956	\$29,651	\$31,003	4.6%	3	3
Missouri	\$27,243	\$27,897	\$28,363	\$29,199	\$30,516	4.5%	4	5
Nebraska	\$27,627	\$28,679	\$29,162	\$30,750	\$32,276	5.0%	2	2
Oklahoma	\$24,410	\$26,015	\$25,848	\$26,556	\$27,819	4.8%	6	6
United States	\$29,847	\$30,580	\$30,814	\$31,487	\$33,041	4.9%		

Per Capita Disposable Personal Income

	<u>2000*</u>	<u>2001*</u>	<u>2002*</u>	<u>2003*</u>	<u>2004</u>	2003-04 <u>% change</u>	Descending	
							<u>Rank</u> <u>2003</u>	<u>Rank</u> <u>2004</u>
Colorado	\$28,236	\$29,577	\$29,955	\$30,815	\$32,273	4.7%	1	1
Iowa	\$23,389	\$24,001	\$25,300	\$25,901	\$28,164	8.7%	5	3
Kansas	\$24,048	\$25,003	\$25,802	\$26,705	\$27,949	4.7%	3	4
Missouri	\$23,677	\$24,261	\$25,227	\$26,280	\$27,531	4.8%	4	5
Nebraska	\$24,091	\$25,119	\$26,111	\$27,879	\$29,272	5.0%	2	2
Oklahoma	\$21,519	\$23,007	\$23,242	\$24,080	\$25,236	4.8%	6	6
United States	\$23,974	\$25,472	\$27,165	\$28,052	\$29,472	3.3%		

Disposable Personal Income as Percent of Personal Income

	<u>2000*</u>	<u>2001*</u>	<u>2002*</u>	<u>2003*</u>	<u>2004</u>
Colorado	84.6%	85.8%	88.0%	89.2%	89.4%
Iowa	88.1%	88.3%	90.0%	90.7%	90.9%
Kansas	86.8%	87.2%	89.1%	90.1%	90.1%
Missouri	86.9%	87.0%	88.9%	90.0%	90.2%
Nebraska	87.2%	87.6%	89.5%	90.7%	90.7%
Oklahoma	88.2%	88.4%	89.9%	90.7%	90.7%
United States	80.3%	83.3%	88.2%	89.1%	89.2%

* revised

Source: U. S. Dept of Commerce, Bureau of Economic Analysis, "Survey of Current Business," September 2005, <http://www.bea.gov/bea/regional/spi/drill.cfm>

Comparison of Kansas and Selected States, Individual Income Tax

Individual Income Taxes: Basic Rates, Exemptions and Standard Deductions for 2004

	Tax Rates <u>Range</u>	Taxable Income Brackets		Personal Exemptions			Standard Deductions		
		<u>Up To</u>	<u>Over</u>	<u>Single</u>	<u>Married Joint</u>	<u>Dependents</u>	<u>Single</u>	<u>Married Joint</u>	
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	
Kansas	S,M/S	3.5%-6.45%	\$15,000	\$30,000	\$2,250	\$4,500	\$2,250	\$3,000	\$6,000
	M/J	3.5%-6.45%	\$30,000	\$60,000					
Missouri	1.5%-6.0%	\$1,000	\$9,000	\$2,100	\$4,200	\$1,200	\$4,850	\$9,500	
Nebraska	M/S	2.56%-6.84%	\$2,000	\$23,375	\$103	\$206	\$103	\$4,850	\$8,140
	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%-6.65%	\$1,000	\$10,000	\$1,000	\$2,000	\$1,000	\$2,000	\$2,000
(w/o Fed Deduct)	SS,HH,M/J	0.5%-6.65%	\$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, 2004, source for tax rates, taxable income brackets and personal exemptions
State Individual Income Tax Rates, December 31, 2004 www.taxfoundation.org/taxdata/show/228.html

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, 2004.

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: 2005 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, 2004.

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>\$3,200/yr <u>Quarterly:</u> Tax Liability<\$3,200/yr <u>Annually:</u> Tax Liability<\$80/yr	<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 in 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	No	Yes	Yes	Yes
Percent or range of rates for local sales tax	Up to 5.3%	0.5% - 2% (sls only)	0.25% - 3.0%	0.5% - 6%	.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: 2005 Multistate Corporate Tax Guide, Volume II

Selected Kansas Tax Rates with Statutory Citation

								K.S.A.:	
Individual Income Tax									
Tax Rates, Resident, married, joint									
taxable income not over	\$30,000	@	3.50%						79-32,110
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%	
Corporate Franchise Tax									
0.125% of total net worth (for entities with \$100,000 or more of net worth in the state).								79-5401	
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									
Regular Motor Fuel/gallon			\$0.24						79-34,141
Gasohol/gallon			\$0.24						79-34,141
Diesel/gallon			\$0.26						79-34,141
LP-Gas/gallon			\$0.23						79-34,141
Compress Nat Gas/120 CF = gallon			\$0.23						KAR. 92-14-9
Trip Permits/each			\$13.00						79-34,118
Mineral Tax									
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						79-4217, 4219
Cigarette Tax									
Package of 20			\$0.79						79-3310
Package of 25			\$0.99						
Tobacco Tax									
Wholesale price			10.00%						79-3371
Bingo Tax									
Bingo faces			\$0.002						79-4704
Retail price - Instant			1.00%						
Property Tax (State levy)									
Assessed Valuation			1.5 mills						76-6b01
								76-6b02	
State School District Finance Levy									
Assessed Valuation			20 mills						72-6431
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)									
Gross receipts			10.00%						79-41a02
Liquor Enforcement (Liquor Stores)									
Gross receipts			8.00%						79-4101
Marijuana Stamp Tax									
Marijuana/gram or portion of gram			\$3.50						79-5202
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 \$0.002 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									
Environmental Surcharge/gross receipts			2.5%						65-34,141
Solvent Fee (chlorinated)/gallon			\$5.50						65-34,150
Solvent Fee (non-chlorinated)/gallon			\$0.55						65-34-151

FY 2005 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 1.5% (FY 05) and 2% (FY06) (of withholding) to IMPACT Fund.			74-50,107
Corporate Income		State General Fund				79-32,105
Corporate Franchise Tax		State General Fund				79-5401
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
	33.63%	Special City/County Highway Fund				79-34,142
			after \$625 thou/qrt	County Equalization & Adjustment Fund	15th of Jan, April, July, Oct	79-3425c
	66.37%	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	2/3	State General Fund				55-427
	1/3	Petroleum Inspection Fee Fund until \$250,000 in SGF then all to Petroleum Inspection Fee Fund				55-427(d)(1)
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	95.3%	State General Fund				
	4.7%	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 2005 After-Refund Distribution of Selected State Taxes and Fees Collected by Kansas Department of Revenue

Annual Report

	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 Full-Privilege Plates		50% Dealers and Mfgr Fee Fund				8-2425
Veh Dealers Regular Plates		50% County Treasurer Veh Lic Fee Fund				
		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 Community Alcoholism and Intoxication Programs Fund (KSA 41-1126) balance State General Fund					41-501 41-501
Liquor Enforcement Tax	State General Fund					79-4108
Liquor Excise Tax	25% State General Fund, then if 70% to LALF is less than in CY 1981, difference transferred to LALF 70% Local Alcoholic Liquor Fund 5% Community Alcoholism and Intoxication Programs Fund (KSA 41-1126)				15th of March 15th of Mar, June, Sept, Dec 15th of Mar, June, Sept, Dec	79-41a03 79-41a05 79-41a04 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; \$3.00 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 (Per cap) FY 05	Sales Tax (Per cap) FY 05	Vehicle Property TY 04	Vehicle Property (Per cap) TY 04	Real/Personal Property TY 04	Real/Personal Property (Per cap) TY 04
	Individual Income Tax Liability	Individual Income Tax Liability						
	TY 03	(Per cap) TY 03						
Allen	\$5,764,398	\$414	\$5,983,999	\$429	\$1,474,998	\$106	\$10,072,400	\$724
Anderson	\$3,195,040	\$389	\$2,898,906	\$354	\$877,592	\$107	\$8,702,054	\$1,060
Atchison	\$6,751,349	\$403	\$7,520,066	\$446	\$1,557,455	\$93	\$14,209,670	\$849
Barber	\$2,100,309	\$417	\$2,774,841	\$555	\$649,155	\$129	\$7,890,769	\$1,567
Barton	\$12,814,442	\$467	\$18,491,403	\$676	\$3,789,947	\$138	\$26,017,235	\$947
Bourbon	\$5,331,773	\$353	\$6,352,975	\$422	\$1,571,740	\$104	\$11,174,869	\$741
Brown	\$3,736,557	\$358	\$4,087,054	\$394	\$887,498	\$85	\$9,423,450	\$902
Butler	\$44,577,652	\$729	\$25,368,641	\$410	\$7,678,042	\$126	\$56,107,146	\$918
Chase	\$1,217,534	\$392	\$739,713	\$241	\$298,024	\$96	\$4,405,453	\$1,418
Chautauqua	\$1,262,449	\$302	\$936,840	\$224	\$448,582	\$107	\$3,202,061	\$765
Cherokee	\$6,540,059	\$300	\$5,200,589	\$237	\$1,567,342	\$72	\$12,629,538	\$579
Cheyenne	\$968,430	\$328	\$865,886	\$291	\$270,734	\$92	\$3,478,870	\$1,177
Clark	\$1,137,975	\$488	\$612,772	\$262	\$358,620	\$154	\$5,607,217	\$2,403
Clay	\$3,409,681	\$398	\$3,391,875	\$395	\$968,829	\$113	\$8,285,707	\$966
Cloud	\$3,852,064	\$391	\$5,676,601	\$580	\$1,195,611	\$121	\$9,959,228	\$1,010
Coffey	\$4,959,322	\$563	\$3,606,375	\$412	\$570,639	\$65	\$31,394,575	\$3,561
Comanche	\$934,642	\$488	\$857,959	\$451	\$233,437	\$122	\$4,954,142	\$2,587
Cowley	\$17,166,692	\$479	\$14,831,281	\$415	\$3,668,839	\$102	\$27,728,547	\$773
Crawford	\$16,210,274	\$422	\$18,918,208	\$497	\$3,137,014	\$82	\$25,428,756	\$662
Decatur	\$1,181,456	\$359	\$877,712	\$268	\$361,631	\$110	\$3,914,054	\$1,188
Dickinson	\$9,017,289	\$468	\$8,797,424	\$460	\$2,026,512	\$105	\$15,028,936	\$781
Doniphan	\$4,124,095	\$506	\$1,954,596	\$242	\$591,523	\$73	\$6,627,277	\$813
Douglas	\$69,130,663	\$671	\$64,154,030	\$624	\$7,979,106	\$77	\$99,879,678	\$970
Edwards	\$1,450,614	\$443	\$965,484	\$292	\$422,920	\$129	\$5,508,799	\$1,682
Elk	\$937,765	\$296	\$830,908	\$267	\$311,939	\$98	\$3,373,933	\$1,065
Ellis	\$15,766,998	\$579	\$24,145,014	\$892	\$2,891,475	\$106	\$26,918,386	\$989
Ellsworth	\$2,827,478	\$445	\$2,115,851	\$333	\$806,519	\$127	\$7,580,816	\$1,194
Finney	\$19,200,147	\$490	\$24,995,156	\$636	\$3,208,016	\$82	\$50,288,289	\$1,284
Ford	\$14,126,114	\$428	\$19,813,228	\$595	\$3,798,994	\$115	\$33,075,754	\$1,002
Franklin	\$13,254,560	\$519	\$12,202,056	\$468	\$2,724,111	\$107	\$21,887,643	\$857
Geary	\$8,582,103	\$326	\$14,321,831	\$570	\$2,209,173	\$84	\$16,577,281	\$630
Gove	\$1,252,020	\$430	\$1,367,929	\$481	\$327,520	\$113	\$4,273,279	\$1,468
Graham	\$1,021,591	\$364	\$1,379,425	\$503	\$375,058	\$134	\$4,758,859	\$1,695
Grant	\$4,325,712	\$559	\$4,373,753	\$569	\$626,558	\$81	\$20,688,048	\$2,671
Gray	\$3,608,045	\$595	\$1,815,398	\$304	\$785,050	\$129	\$7,909,695	\$1,305
Greeley	\$793,598	\$559	\$540,939	\$382	\$233,761	\$165	\$4,320,873	\$3,043
Greenwood	\$2,961,111	\$396	\$2,122,039	\$282	\$853,477	\$114	\$7,604,912	\$1,016
Hamilton	\$1,275,628	\$478	\$953,932	\$359	\$308,889	\$116	\$8,624,683	\$3,235
Harper	\$2,921,239	\$471	\$3,020,563	\$484	\$942,484	\$152	\$8,484,066	\$1,367
Harvey	\$18,711,992	\$559	\$16,490,776	\$488	\$3,191,078	\$95	\$26,338,677	\$786
Haskell	\$2,420,711	\$570	\$1,499,562	\$351	\$360,470	\$85	\$14,209,605	\$3,347
Hodgeman	\$776,043	\$361	\$480,905	\$230	\$299,065	\$139	\$4,334,144	\$2,015
Jackson	\$6,316,608	\$485	\$5,450,814	\$414	\$1,262,768	\$97	\$9,030,876	\$694
Jefferson	\$10,918,235	\$581	\$3,976,728	\$210	\$2,108,559	\$112	\$15,222,988	\$810
Jewell	\$1,064,617	\$310	\$779,847	\$228	\$407,165	\$119	\$4,846,694	\$1,412
Johnson	\$565,524,858	\$1,162	\$447,090,615	\$900	\$63,741,429	\$131	\$721,925,721	\$1,484
Kearny	\$2,081,358	\$453	\$1,073,203	\$238	\$324,056	\$71	\$18,142,163	\$3,952
Kingman	\$4,392,075	\$524	\$3,002,698	\$358	\$1,007,499	\$120	\$10,602,087	\$1,265
Kiowa	\$1,374,909	\$436	\$1,384,019	\$449	\$394,401	\$125	\$6,224,782	\$1,975
Labette	\$8,079,935	\$363	\$8,584,148	\$385	\$2,282,768	\$103	\$16,308,320	\$733
Lane	\$944,525	\$485	\$634,019	\$325	\$288,471	\$148	\$3,894,161	\$2,001
Leavenworth	\$32,755,544	\$458	\$25,756,462	\$356	\$7,279,077	\$102	\$53,969,579	\$754
Lincoln	\$1,061,566	\$303	\$796,683	\$233	\$419,033	\$120	\$5,118,715	\$1,463
Linn	\$3,925,623	\$404	\$2,418,111	\$247	\$858,596	\$88	\$14,292,441	\$1,470
Logan	\$1,320,887	\$463	\$1,301,213	\$460	\$382,424	\$134	\$4,425,227	\$1,550
Lyon	\$17,104,740	\$478	\$19,217,593	\$538	\$3,418,483	\$95	\$28,495,167	\$796
Marion	\$6,007,595	\$452	\$3,917,631	\$301	\$1,250,873	\$94	\$11,887,284	\$894
Marshall	\$4,862,828	\$459	\$4,874,189	\$469	\$1,155,005	\$109	\$10,507,377	\$992
McPherson	\$19,345,629	\$659	\$16,873,449	\$574	\$3,140,881	\$107	\$32,521,060	\$1,108
Meade	\$1,886,176	\$405	\$1,317,041	\$287	\$457,229	\$98.1	\$9,793,554	\$2,101

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	Individual Income	Sales	Sales	Vehicle	Vehicle	Real/Personal	Real/Personal
	Tax Liability	Tax Liability	Tax	Tax	Property	Property	Property	Property
	TY 03	(Per cap) TY 03	FY 05	(Per cap) FY 05	TY 04	(Per cap) TY 04	TY 04	(Per cap) TY 04
Miami	\$19,277,213	\$660	\$13,468,643	\$453	\$3,515,917	\$120.5	\$32,218,114	\$1,104
Mitchell	\$3,354,882	\$500	\$3,643,078	\$555	\$873,978	\$130.3	\$7,439,674	\$1,109
Montgomery	\$14,612,687	\$418	\$18,524,654	\$530	\$3,879,846	\$111.1	\$29,346,281	\$840
Morris	\$2,987,324	\$498	\$2,224,912	\$372	\$567,193	\$94.6	\$5,755,827	\$960
Morton	\$1,919,884	\$579	\$1,562,390	\$478	\$299,368	\$90.3	\$12,839,515	\$3,871
Nemaha	\$4,516,188	\$430	\$4,079,915	\$390	\$1,051,179	\$100.1	\$8,967,005	\$854
Neosho	\$6,957,757	\$420	\$9,884,636	\$597	\$2,156,026	\$130.0	\$12,929,945	\$780
Ness	\$1,505,575	\$477	\$2,087,856	\$678	\$490,316	\$155.3	\$5,550,665	\$1,758
Norton	\$2,200,090	\$380	\$2,128,808	\$367	\$570,998	\$98.5	\$5,044,472	\$870
Osage	\$8,228,518	\$490	\$4,156,029	\$243	\$1,544,594	\$92.0	\$12,911,527	\$769
Osborne	\$1,409,951	\$337	\$1,601,514	\$391	\$525,823	\$125.8	\$5,298,272	\$1,268
Ottawa	\$3,185,013	\$516	\$1,390,203	\$225	\$716,129	\$116	\$7,146,244	\$1,157
Pawnee	\$2,881,571	\$424	\$2,485,705	\$366	\$894,516	\$132	\$7,754,609	\$1,141
Phillips	\$2,204,979	\$390	\$2,249,360	\$403	\$685,545	\$121	\$6,297,098	\$1,113
Pottawatomie	\$10,121,463	\$541	\$17,673,868	\$937	\$1,364,308	\$73	\$29,541,562	\$1,579
Pratt	\$5,194,849	\$550	\$6,844,213	\$727	\$1,405,799	\$149	\$13,896,380	\$1,473
Rawlins	\$1,023,068	\$360	\$771,788	\$279	\$455,692	\$160	\$4,297,878	\$1,512
Reno	\$33,281,629	\$521	\$40,406,358	\$635	\$7,104,586	\$111	\$62,927,228	\$986
Republic	\$1,784,552	\$336	\$1,883,950	\$361	\$703,742	\$133	\$6,913,684	\$1,303
Rice	\$4,330,163	\$416	\$3,531,129	\$336	\$1,288,767	\$124	\$12,831,102	\$1,232
Riley	\$27,719,902	\$445	\$30,042,430	\$476	\$4,394,188	\$71	\$39,018,532	\$626
Rooks	\$2,013,083	\$372	\$2,381,843	\$442	\$724,833	\$134	\$7,015,519	\$1,295
Rush	\$1,445,281	\$423	\$796,178	\$230	\$444,461	\$130	\$4,869,068	\$1,425
Russell	\$2,937,191	\$425	\$3,426,547	\$491	\$1,020,953	\$148	\$10,851,697	\$1,571
Saline	\$33,350,255	\$621	\$44,292,974	\$821	\$5,029,879	\$94	\$49,945,408	\$929
Scott	\$2,866,378	\$596	\$2,630,499	\$561	\$720,629	\$150	\$8,349,532	\$1,737
Sedgwick	\$376,117,431	\$813	\$343,198,175	\$740	\$45,169,150	\$98	\$388,942,334	\$840
Seward	\$9,792,278	\$424	\$15,870,093	\$683	\$1,827,285	\$79	\$26,502,429	\$1,148
Shawnee	\$126,346,528	\$739	\$124,116,893	\$723	\$19,917,469	\$117	\$185,504,706	\$1,085
Sheridan	\$1,388,873	\$522	\$941,011	\$360	\$352,945	\$133	\$3,793,917	\$1,425
Sherman	\$2,805,781	\$447	\$4,461,413	\$717	\$671,111	\$107	\$6,921,597	\$1,103
Smith	\$1,710,781	\$409	\$1,404,793	\$336	\$522,035	\$125	\$5,837,208	\$1,396
Stafford	\$1,924,226	\$419	\$1,520,035	\$337	\$608,004	\$132	\$8,017,707	\$1,747
Stanton	\$1,320,404	\$549	\$734,603	\$309	\$248,062	\$103	\$8,548,281	\$3,556
Stevens	\$3,201,606	\$594	\$2,228,005	\$404	\$354,988	\$66	\$20,273,333	\$3,762
Sumner	\$12,096,295	\$479	\$7,348,305	\$291	\$3,038,186	\$120	\$23,959,471	\$949
Thomas	\$4,004,525	\$505	\$5,916,437	\$758	\$975,333	\$123	\$10,476,992	\$1,321
Trego	\$1,112,072	\$358	\$1,370,585	\$434	\$406,097	\$131	\$4,955,342	\$1,597
Wabaunsee	\$3,553,843	\$525	\$1,259,268	\$182	\$742,042	\$110	\$7,445,367	\$1,100
Wallace	\$655,430	\$404	\$546,279	\$346	\$174,271	\$108	\$2,958,179	\$1,825
Washington	\$2,558,865	\$417	\$1,607,823	\$263	\$734,513	\$120	\$7,864,470	\$1,283
Wichita	\$1,420,277	\$580	\$792,831	\$336	\$332,891	\$136	\$4,537,479	\$1,854
Wilson	\$4,015,787	\$398	\$3,044,753	\$306	\$968,995	\$96	\$7,599,587	\$754
Woodson	\$1,097,429	\$302	\$926,885	\$261	\$384,894	\$106	\$3,756,940	\$1,035
Wyandotte	<u>\$61,659,899</u>	\$393	<u>\$83,168,151</u>	\$531	<u>\$17,317,781</u>	\$110	<u>\$165,605,204</u>	\$1,054
Total	\$1,891,081,065	\$694	\$1,711,408,775	\$626	\$294,193,465	\$108	\$2,963,544,950	\$1,088

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

Selected 2005 Enacted Kansas Legislation Administered by the Department

Franchise Tax:

Senate Bill 37 - Makes a number of changes to provisions relating to the report fee collected by the Kansas Secretary of State, effective January 1, 2006. The bill renames the annual \$40 fee from "franchise fee" to "report fee;" eliminates extensions of time for entities to file their annual reports with the Secretary of State; and repeals requirements that annual reports need to reflect the financial condition of the entities.

Homestead:

Senate Bill 133 – Indexes "Household Income" to inflation. The upper "household income" limit is \$27,000 for tax year 2005. Erects the Homestead Advancement Program - to give claimants an election to receive the refund directly from the Kansas Department of Revenue or have the refund applied to the claimant's county tax bill for tax year 2006 and thereafter.

Income Tax:

House Bill 2222 - Establishes the Individual Development Account Program. Provides that a program contributor is allowed a refundable credit against state income tax in an amount not to exceed 50% of the contribution amount. Additionally, interest earned on the account balance is exempt from Kansas Income Tax.

House Bill 2518 – The state of Kansas shall provide an aggregate death benefit in the amount of \$250,000 to the beneficiary or beneficiaries of each member of the Kansas national guard who, after November 1, 2004, and prior to July 1, 2007, dies as a result of federal active duty in a combat area in the line of duty.

Senate Bill 138 - Provides an income tax credit to business firms that enter into a partnership agreement with a school district to employ district science or math teachers during the months when school is not in session. The credit will be available for tax years 2005-2007. The amount of credit would be 25% of the amount paid by a business firm to teachers as salary during the taxable year or 30% of the amount paid if the teachers are teaching in a school district located in a rural community, underserved area, or underperforming urban area. Claim credit on Schedule K-71.

Senate Bill 257 - Small Employer Health Insurance credit. The bill increases tax credits for plans established after December 31, 2004 and adds health savings accounts to the employer contributions that qualify for a tax credit.

Senate Bill 256 - Provides a subtraction modification from federal adjusted gross income for amounts received by members of the armed forces of the United States, as a recruitment, sign up or retention bonus received as an incentive to join, enlist or remain in the armed services of the United States, including the Kansas army and air national guard. Also excluded are amounts received for repayment of educational or student loans incurred by or obligated to such taxpayer and receive by such taxpayer as a result of service in the armed services of the United States, including the Kansas army and air national guard. Changes are for tax years beginning after December 31, 2004.

Motor fuel tax:

House Bill 2297 - Amends K.S.A. 79-34,120 relating to certain exemptions from the provisions of the Interstate Motor Fuel Use Act (IFTA). Specifically, the provisions allowing out of state carriers and farm-registered vehicles to operate in commercial zones without IFTA registration are removed. Effective July 1, 2005, out-of-state carriers and out-of-state farm-registered vehicles must have either an IFTA registration or a fuel trip permit.

Property Tax:

House Bill 2082 - Exempts from all ad valorem taxation all real and tangible personal property actually and primarily used for housing for the elderly, persons with disabilities or persons with limited or low income, if the property is owned solely and operated by a not-for-profit community housing development organization (CHDO) as certified by the Kansas Housing Resources Corporation. For all taxable years after December 31, 2004.

Senate Bill 192 - Exempts from ad valorem taxation all personal property actually and regularly used predominantly to collect, refine, and treat landfill gas and to transport landfill gas from a landfill to a transmission pipeline. It would also exempt the landfill gas produced.

Selected 2005 Enacted Kansas Legislation Administered by the Department

Sales Tax:

House Bill 2102 - Amends K.S.A. 74-50,115 as it relates to qualifications for the sales tax enterprise zone exemption. It temporarily expands (until April 1, 2007) a sales tax exemption available for certain purchases associated with the construction, reconstruction, remodeling, or enlarging of a facility located within an enterprise zone to also include facilities located within Saline County which will have their titles conveyed to businesses that otherwise could have qualified for the exemption.

House Bill 2144 - Amends various provisions of Tax Increment Financing (TIF) statutes. The TIF legislation enacted in 1976 and amendments thereto are intended to provide a financing tool for redevelopment projects in blighted areas, enterprise zones, conservation areas, environmentally contaminated areas, auto race track project, historic theaters, major tourism areas, bioscience development area, etc. House Bill 2144 adds, "major motorsports complex" to the list of projects eligible for Sales Tax and Revenue (STAR) bonds. The definition of "major motorsports complex" specifies that it is a project located in Shawnee County.

House Bill 2164 - Amends K.S.A. 74-50,115 which specifies the requirements for the sales tax enterprise zone exemption contained in K.S.A. 79-3606(cc). The proposal extends the time frame for which a retail businesses in a city of 2,500 or less which locates or expands to a location outside a city in a county having a population of 10,000 or less can qualify for the exemption. The current expiration date is July 1, 2004 and the amendment extends it to July 1, 2010.

House Bill 2288 - Removes the requirement that the person signing the exemption certificate for a Tax-Exempt Entity provide their driver's license number and instead may provide the exempt entity's tax identification number. Effective July 1, 2005.

House Bill 2406 - Allows any three or more contiguous counties not located in a metropolitan area to create a public improvement district for the purposes of constructing, operating and maintaining public infrastructure improvements. In order to finance the public improvement district, the district is authorized to levy property tax upon all taxable real and tangible personal property in the district and may impose a sales tax not to exceed .50%.

Senate Bill 23 - Concerns the purchase of motor vehicles by private sales and the charging of sales tax on these isolated and occasional sales. Amends K.S.A 8-135 to require the seller of the vehicle to certify on the form filed for application or reassignment of title the mileage and the purchase price of the vehicle. It also amends K.S.A 79-3603 to delete the requirement imposed by the 2004 Legislature that the tax be based the value pursuant to subsections (a), (b)(1) and (b)(2) of K.S.A. 79-5101, which are the values used in computing the property tax on vehicles, if greater than the purchase price stated by the purchaser. Provides for a refund of the difference between the tax paid and the amount that would have been paid prior to the revision of the statute by the 2004 legislature was removed. The refund must be applied for within six (6) months of March 3, 2005 – [thus, the application for refund must be postmarked to KDOR on or before September 3, 2005] and no refund for less than \$10 shall be paid.

Senate Bill 105 - Amends K.S.A. 12-187 as it concerns the extension of a Miami County local sales tax. The voters of Miami County approved the extension of the local tax for financing the costs of roads at the election held November 2, 2004. This proposal would provide the authorization for the tax to be extended an additional 5 years.

Senate Bill 209 - Amends the transportation development district act, K.S.A. 12-17,144 and 12-17,145. The changes provide the municipality a more streamlined approach in levying the transportation development district sales tax. The changes do not affect how the tax is administered by the department of revenue. The change in the amended version requires that the maximum project costs be provided on petitions and notices and not the estimated cost.

Severance Tax:

House Bill 2390 - Establishes the Oil and Gas Valuation Depletion Trust Fund. Beginning July 1, 2008, certain percentages of severance tax revenue shall be credited to separate trust accounts for each county which in fiscal year 2005 or any fiscal year thereafter had \$100,000 or more in receipts from the severance tax on oil and gas. Each county's trust account shall be credited in the proportion that the amount of oil and gas valuation depletion trust fund receipts collected from that county bears to the total amount of money collected. Such money shall be credited in trust for such county for distributions as provided in this act. Effective July 1, 2005.

Selected 2005 Enacted Kansas Legislation Administered by the Department

Withholding Tax:

House Bill 2003 - Amends the emerging industry (Bioscience) act – further defines what constitutes a “Bioscience Company”. Under the provisions of the bill, the definition is amended to comprise 95 percent of the 2003 state withholding taxes paid by the company's employees.

House Bill 2265 - Creates the “qualified manufacturer act” which allows the Secretary of Commerce to enter into an agreement to pay back 100% of the withholding from Kansas wages paid to employees at the qualified manufacturer for 3 to 4 years, not to exceed 1 million dollars to a qualified manufacturer engaged in the production of cellulose in Shawnee County.

Motor Vehicle Legislation:

House Bill 2187 - Amends K.S.A. 2004 Supp. 79-5107 to exempt from property tax motor vehicles owned by certain military individuals. No tax shall be levied upon not more than two motor vehicles which are owned by a resident individual who is in the full-time military service of the United States, is absent from this state solely by reason of military orders on the date of such individual's application for registration, and such motor vehicles are maintained by such individual outside of this state; or (2) who is a member of the military service of the United States and is mobilized or deployed on the date of such individual's application for registration.

House Bill 2215 - Creates the Hazmat Fee Fund and provides for the collection and deposit of all hazardous materials endorsement fees into the Hazmat Fee Fund.

Senate Bill 41 - Amends K.S.A. 8-147, relating to the manufacture of motor vehicle license plates, by allowing for three number combinations followed by three letters rather than the letter/number combinations currently provided for in the statute.

Senate Bill 60 - Amends K.S.A. 2004 Supp. 8-126 and 8-1402a relating to the definition of all-terrain vehicles. Both statutes are amended to increase the width and weight of ATVs from 45 inches and 650 pounds to 48 inches and 1,000 pounds.

Senate Bill 148 - Amends K.S.A. 8-1013 concerning driving under the influence of alcohol or drugs and relating to driving privileges. The bill removes the "5-year limitation" in the definition of "occurrence." The act has the effect that prior test refusals, test failures, DUI convictions and DUI diversions more than 5 years prior to the present occurrence would also be used to determine the appropriate driver's license sanction.

Alcohol Beverage Control:

Senate Bill 195 - As it concerns the department of revenue provides for the sales of firearms seized by the department. The proposal enables the department to sell the firearms or dispose of the firearms by transferring the ownership to the historical society, local law enforcement, department of wildlife and parks, or Kansas bureau of investigation.

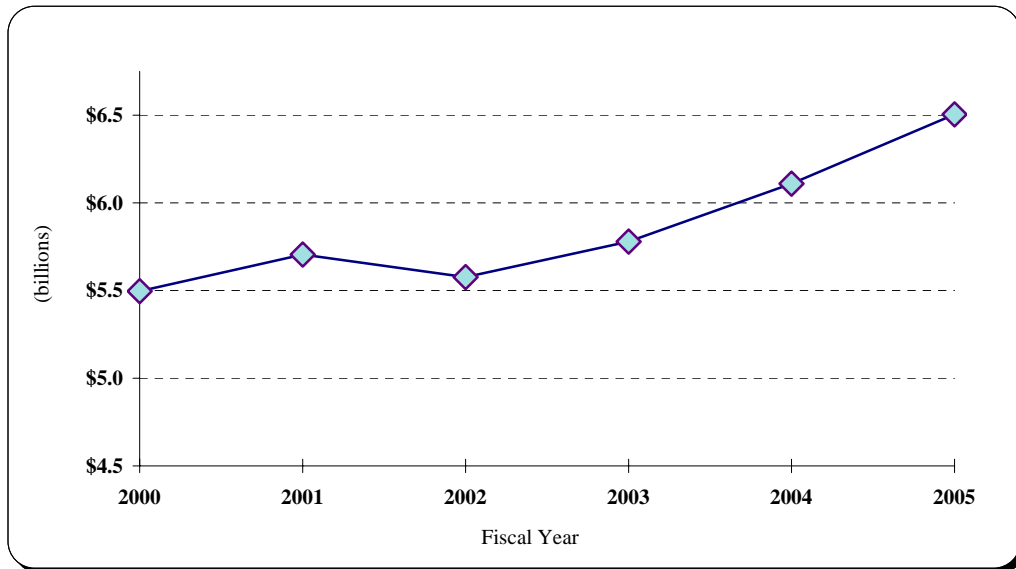
Senate Bill 298 - Amends existing liquor statutes to bring them into conformity. The act restores the power to regulate the liquor statutes in the state, deletes or modifies existing language that was determined non-uniform, continues to allow Sunday sales of liquor in cities and counties where approved prior to the enactment of this act, and allows cities and counties the ability to allow Sunday sales of alcoholic liquor and cereal malt beverages. The act also makes the selling of cereal malt beverages legal in those cities and counties that had approved Sunday sales prior to this act. Provisions are effective November 15, 2005.

Tax Administration:

Senate Bill 13 - Modifies several taxation statutes as it concerns confidentiality and disclosure of taxpayer information. The proposal allows reporting to local governments receiving local excise tax distributions, and allows reporting of liquor, cigarette, dry cleaning, water protection fee, and enterprise zone sales tax information to other government agencies involved in the administration or regulation of the entities. Providing of data to Kansas, Inc. is removed from the statutes and additions for the reporting of certain tax credit data to the Secretary of Commerce is included.

Total Department of Revenue Collections before Refunds

Total Department of Revenue Collections (before refunds) increased by 6.5% compared to the prior fiscal year.

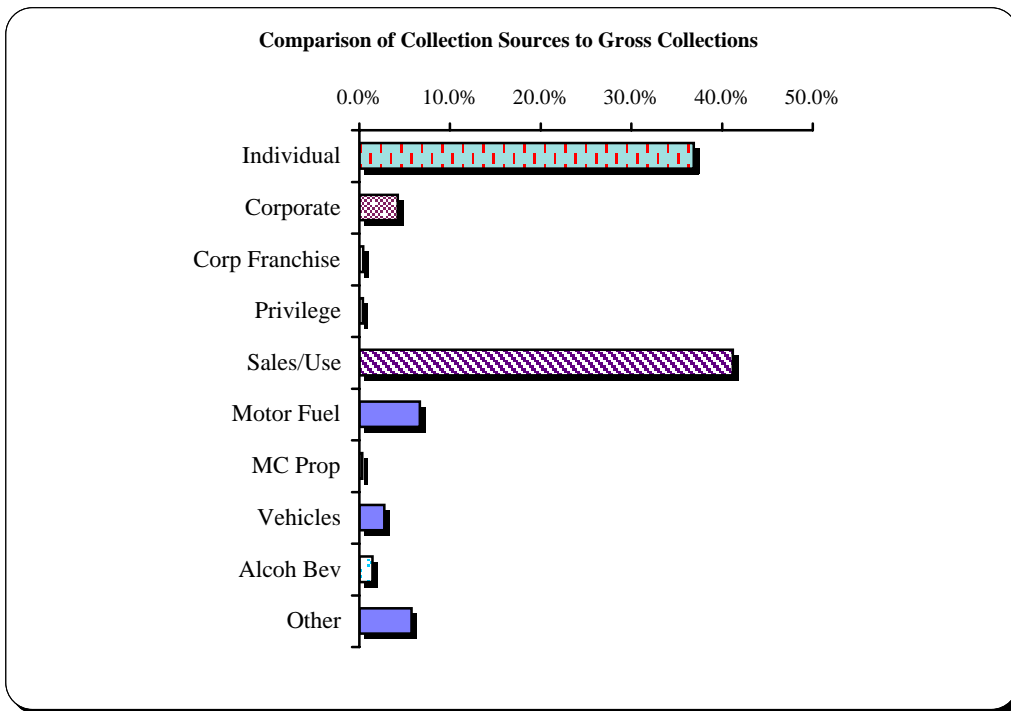


<u>Fiscal Year</u>	<u>Total Collections</u>	<u>Percent Change</u>
2000	\$5,496,683,408	5.8%
2001	\$5,705,035,779	3.8%
2002	\$5,576,277,974	-2.3%
2003	\$5,779,179,466	3.6%
2004	\$6,109,082,577	5.7%
2005	\$6,504,703,310	6.5%

Note: FY 2002 revised

Gross Total Collections and by Source

Collections by Department of Revenue

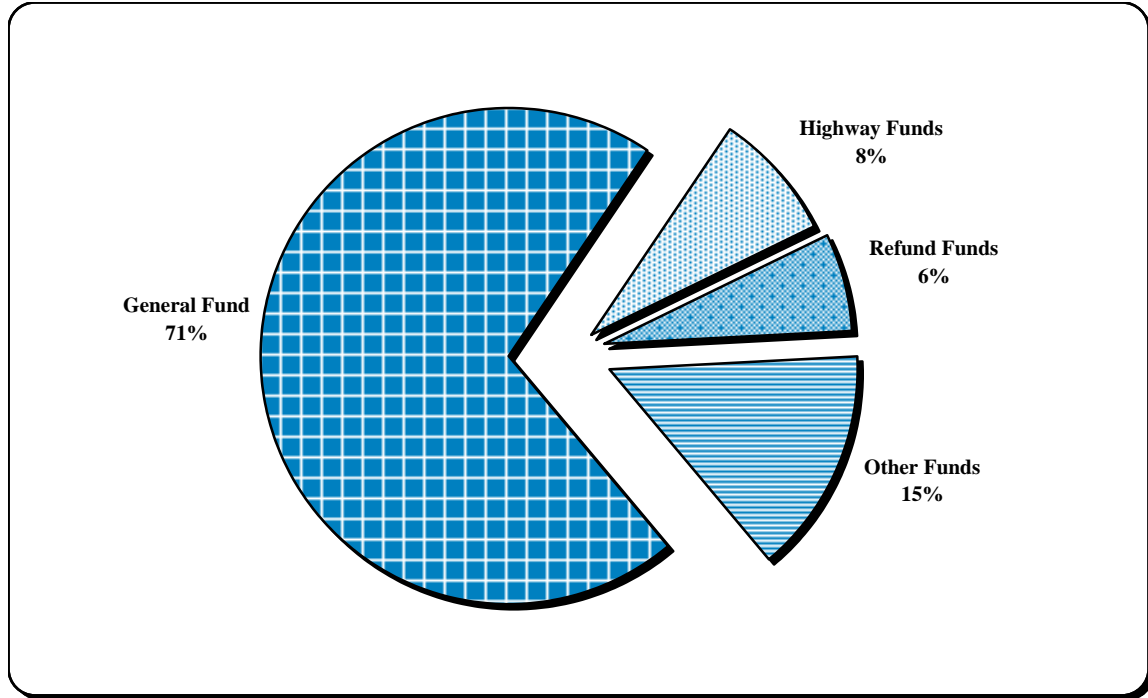


<u>Source</u>	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2005</u>	<u>Percent Change</u>	<u>Percent of FY2005 Total</u>
Individual Income Taxes	\$2,227,290,739	\$2,398,542,865	7.7%	36.9%
Corporate Income Taxes	\$207,581,221	\$274,910,609	32.4%	4.2%
Corporate Franchise Tax*	\$0	\$27,434,607	n/a	0.4%
Privilege Taxes	\$27,143,598	\$24,900,692	-8.3%	0.4%
State and Local Sales and Use Taxes	\$2,586,715,224	\$2,677,660,915	3.5%	41.2%
Motor Fuel Taxes	\$429,032,527	\$433,086,627	0.9%	6.7%
Property Taxes: Motor Carrier	\$19,782,224	\$21,002,915	6.2%	0.3%
Division of Vehicles	\$169,999,255	\$178,618,042	5.1%	2.7%
Alcoholic Beverage Control	\$90,888,490	\$93,521,804	2.9%	1.4%
Other Taxes and Fees	<u>\$350,649,299</u>	<u>\$375,024,234</u>	7.0%	5.8%
Total	\$6,109,082,577	\$6,504,703,310	6.5%	100.0%

*Department of Revenue took administration of Corporate Franchise Tax January 1, 2005.

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

Total Department of Revenue Collections by Distribution to Fund



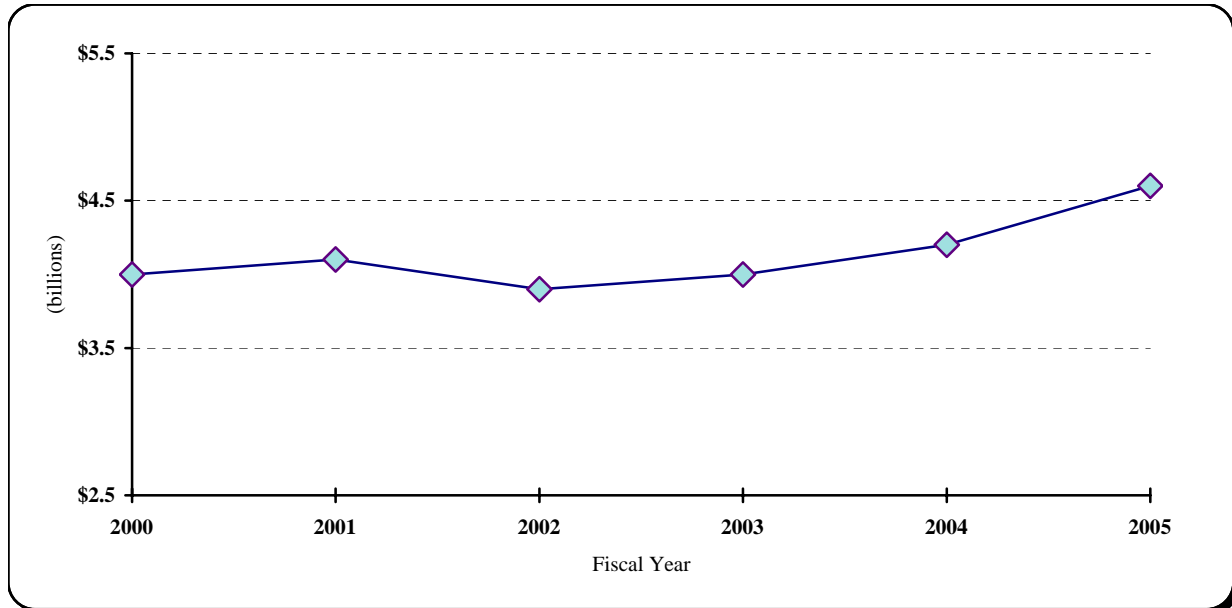
<u>Fund</u>	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2005</u>	<u>Percent Change</u>	<u>Fiscal Year 2005 Percent Total</u>
State General Fund	\$4,230,820,531	\$4,592,296,690	8.5%	70.6%
All Highway Funds	\$525,644,182	\$537,221,918	2.2%	8.3%
All Refund Funds	\$448,757,614	\$415,609,676	-7.4%	6.4%
Other Funds	<u>\$903,860,250</u>	<u>\$959,575,026</u>	6.2%	<u>14.8%</u>
Total	\$6,109,082,577	\$6,504,703,310	6.5%	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 2005 State General Fund Collections increased by 8.5% compared to the prior fiscal year.



General Fund Collections by Source

<u>Source</u>	<u>Fiscal Year</u> <u>2004</u>	<u>Fiscal Year</u> <u>2005</u>	<u>Percent</u> <u>Change</u>
Motor Carrier Property Tax *	\$19,497,652	\$20,454,014	4.9%
Individual Income Tax	\$1,888,431,039	\$2,050,562,199	8.6%
Corporate Income	\$141,172,918	\$226,071,634	60.1%
Corporate Franchise Tax**	\$0	\$27,247,160	n/a
Privilege	\$25,435,185	\$22,062,882	-13.3%
Estate Tax	\$48,064,151	\$51,853,446	7.9%
Sales Tax	\$1,612,066,627	\$1,647,663,056	2.2%
Use Tax	\$214,503,105	\$244,754,669	14.1%
Alcoholic Beverage Taxes, Fees, Fines	\$67,502,495	\$69,264,494	2.6%
Cigarette/Tobacco Tax	\$124,586,274	\$124,017,831	-0.5%
Mineral Tax	\$84,639,220	\$103,389,623	22.2%
Other ***	<u>\$4,921,865</u>	<u>\$4,955,682</u>	0.7%
Total	\$4,230,820,531	\$4,592,296,690	8.5%

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

**Department of Revenue took administration of Corporate Franchise Tax January 1, 2005.

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