

Approved Thursday, February 16, 1989
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Senator Audrey Langworthy, Vice Chairperson at
Chairperson

11:00 a.m./~~p.m.~~ on Thursday, February 9, 1989 in room 519-S of the Capitol.

All members were present except:

Chairman Dan Thiessen, until after recess

Committee staff present:

Don Hayward, Revisor's Office
Chris Courtwright, Research Department
Tom Severn, Research Department

Conferees appearing before the committee:

John Luttjohann, Department of Revenue

Vice Chairperson Senator Audrey Langworthy called the meeting to order and said we are expecting the Chairman soon, but would go ahead and start the meeting. The published agenda calls for hearings on SB37 and SB43 for opponents, and having no opponents Madam Chairperson closed hearings on SB37 and SB43 and stated we do have several new runs on the bills, from Chris Courtwright but will move ahead to SB4 the Alternative minimum tax, and discuss what we want to do with that bill.

SB4:AN ACT relating to income taxation; repealing K.S.A. 1988 Supp. 79-32-183 to 79-32-187, inclusive, relating to the imposition of an alternative minimum tax upon corporations.

Madam Chairperson recognized Senator Fred Kerr.

Senator Fred Kerr said this bill was recommended by the interim committee on Assessment and Taxation. The Alternative Minimum Tax was put on the books a year ago by the legislature, with the idea that it should be studied by the interim committee. The committee did feel we should not go ahead with the tax. Over the years the people have to start paying it back after they make the income, at least a portion of it at the Federal level and our's was based on the Federal level. The strong support by the committee and the administration was to go ahead with SB4, and I think we should pass SB4.

Senator Fred Kerr made a motion to favorably pass SB4, seconded by Senator Montgomery.

Madam Chairperson asked for open discussion on SB4.

Committee concerns: how many corporations, companies and businesses in Kansas do not pay taxes and a lot of new businesses will have to pay taxes and no money will be there to pay with.

Senator Fred Kerr asked John Luttjohann, Department of Revenue what the law is, in regards to revealing who does not pay taxes.

Mr. Luttjohann said the Kansas statute states that, the Department or any of their employees are prohibited and subject to dismissal if they disclose to anyone, other than a public employee, information from tax returns. If information gets out, he believes it is from the Companies themselves.

Madam Chairperson asked for a vote on the above motion to pass SB4 favorably. The motion to pass SB4 favorably carried.

Madam Chairperson turned attention to SB37 and asked Chris Courthwright if he had some information regarding SB37.

SB37:AN ACT relating to income taxation; allowing a deduction for federal income tax liability in the determination of Kansas income tax liability; amending K.S.A. 79-32-119 and 79-32-120 and repealing the existing section.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,
room 519, Statehouse, at 11:00 a.m./~~p.m.~~ on Thursday, February 9, 1989.

Chris Courtwright passed out simulation 7628 (ATTACHMENT 1-a) and simulation 7629 (ATTACHMENT 1-b) which are optional structures. The proposed rates are identical on the non-deductable side, and are the same as proposed by the Governor on SB24. The rates on the deductible side range from 4.40% to 4.75% and the fiscal impact for run 7628 is \$86.6M and run 7629 is \$85.6M. with run 7628, 11.6% taxpayers benefit and run 7629, 6.3% taxpayers benefit from the option.

Mr. Courtwright pointed out that when looking at an optional structure and still want to lock in on using the Governor's proposed rates on the non deductible side of that structure, then to allow some taxpayers to benefit from the deductible side, then by necessity your fiscal note will have to go up.

Representative Vancrums' amendment passed by the House shows, the proposed cuts from current law, were the same as the Governor's.

Mr. Courtwright called attention to run 7589. (ATTACHMENT 1-c). On the non-deductable side the rates are higher than proposed by the Governor, but somewhat lower, than current law. The fiscal note is the same.

After committee discussion on the above mentioned runs Senator Martin asked Madam Chairperson if she was ready for a motion?

Senator Martin moved to insert simulation 7574 into SB37, seconded by Senator Montgomery.

Madam Chairperson asked if we have calculated numbers on Representative Vancrums' run?

Chris Courtwright said his floor run 7562 was in his amendment and the fiscal note was higher at \$95.M. The other one was simulation 7589 and in that optional run, the people would take about a 30% deduction and the fiscal note is about \$78.M.

After committee discussion Senator Martin said his motion could be a substitute motion if any member desired that.

Madam Chairperson asked Chris Courtwright if there were any other options we may be overlooking?

Chris Courtwright said run 7541 (ATTACHMENT 1-c) is a Federal deductability run only.

Senator Martin asked for a question on his motion.

Madam Chairperson called for a vote on the above motion to amend Run 7574 into SB37. A division was called by Senator Martin. The motion to amend SB37 carried by 6 ayes and 4 nays.

Madam Chairperson said we will leave the bill in committee and recessed the meeting at 12:08 until 1:00 p.m.

THE MEETING RECONVENED AT 1:00 p.m.

Chairman Thiessen said he would not ask for a motion to move SB37 out of committee at this time and turned attention to HB2041.

HB2041:AN ACT relating to sales taxation; concerning the exemption of (prescription drugs and) farm machinery and equipment therefrom; amending K.S.A. 1988 Supp. 79-3606 and repealing the existing section.

Chairman Thiessen said we have had hearings and asked for discussion.

After committee discussion.

Senator Karr moved to amend HB2041 with Tom Tunnel's, amendment as presented on 1-31-89, seconded by Senator Francisco.

Committee discussion on the above motion brought about the question of where the technical amendment should be in the bill.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,

room 519-S, Statehouse, at 11:00 a.m./~~xxx~~ on Thursday, February 9, 1989.

Don Hayward said this is not a technical amendment, but I think if you made it a conceptual motion, then it could fit in.

Chairman Thiessen called for a vote on the motion to amend HB2041. On a voice vote the motion failed.

A division vote was called, and the motion to amend HB2041 carried by 6 ayes and 5 nays.

Chairman Thiessen recognized Senator Martin.

Senator Martin said he has a bill in committee, SB156 on the sales tax.

He said a sheet passed out some time ago in committee, lists cities, and on that list he is interested in Galena, his district because his constituents requested to be exempt, because their "Grandfather" changed and I don't know if any other members would be interested in getting in my motion. I don't know if their area's have changed or not, if so I would be glad to include them in my motion.

Chairman Thiessen said the one's that were "grandfathered" were Johnson County, Wyandotte County, Lawrence, Manhattan, Overland Park, Seward County, Galena, Leavenworth, Ogden and Topeka. They were grandfathered to collect local sales taxes and the rest of the State, business and farm machinery is exempt from local sales taxes.

Senator Martin said he will add Manhattan and Ogden to his motion to exempt them from the "grandfather" to collect local sales tax, so they no longer will have to pay the sales tax on business and farm machinery.

Senator Martin made a motion to exempt Galena, Ogden and Manhattan from the Grandfather to collect local sales tax on business and farm machinery

Chairman Thiessen said we would finish this on Monday for discussion and possible action, as we have to give the meeting room up for a standing committee.

The meeting adjourned at 1:25 p.m.

Individual Income Tax In Tax Year 1989

Taxpayers would be allowed to compute their liability using current law or deduct their federal taxes paid to determine which tax structure would result in the least amount of Kansas tax liability.

Resident Taxpayers

Simulation 7628

Liability Dollars are in Millions

	With Federal Deductability			No Federal Deductability		
		Proposed		Proposed		Current
Married:	\$0 - \$20	4.40%	\$0 - \$35	3.60%	\$0 - \$35	4.05%
	\$20 - \$35	5.00%	\$35 - Over	4.90%	\$35 - Over	5.30%
	\$35 - \$45	8.00%				
	\$45 - Over	8.50%				
Single:	\$0 - \$2	4.40%	\$0 - \$27.5	4.45%	\$0 - \$27.5	4.80%
	\$2 - \$10	5.60%	\$27.5 - Over	5.85%	\$27.5 - Over	6.10%
	\$10 - \$20	5.85%				
	\$20 - \$30	8.00%				
	\$30 - Over	8.50%				

K.A.G.I. Bracket	No. Of Returns	Percent Change	Married			Single					Total Residents				
			Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No K.A.G.I.	9,684	0.0%	\$0.0	\$0.00	0.0%	4,526	0.0%	\$0.0	\$0.00	0.0%	14,211	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	15,895	0.0%	\$0.0	\$0.00	0.0%	105,368	0.0%	\$0.0	\$0.00	0.0%	121,263	0.0%	\$0.0	\$0.00	0.0%
\$5 \$15	66,632	-18.1%	(\$0.5)	(\$8.08)	0.3%	163,684	-10.2%	(\$3.0)	(\$18.03)	1.6%	230,316	-11.0%	(\$3.5)	(\$15.15)	1.2%
\$15 \$25	87,368	-12.3%	(\$3.5)	(\$39.51)	1.4%	96,737	-8.1%	(\$4.5)	(\$46.21)	2.7%	184,105	-9.5%	(\$7.9)	(\$43.03)	2.1%
\$25 \$35	93,368	-11.9%	(\$7.4)	(\$78.94)	2.0%	42,421	-7.8%	(\$3.2)	(\$76.44)	3.1%	135,789	-10.2%	(\$10.6)	(\$78.16)	2.3%
\$35 \$50	112,211	-12.1%	(\$14.7)	(\$130.58)	2.3%	21,579	-7.1%	(\$2.3)	(\$105.35)	3.4%	133,789	-11.0%	(\$16.9)	(\$126.51)	2.4%
\$50 \$100	107,158	-11.2%	(\$22.1)	(\$206.39)	2.6%	9,053	-6.8%	(\$1.6)	(\$180.64)	3.9%	116,211	-10.7%	(\$23.8)	(\$204.39)	2.7%
\$100 Over	16,632	-12.6%	(\$16.5)	(\$989.66)	4.2%	1,368	-4.8%	(\$0.6)	(\$468.54)	5.0%	18,000	-11.8%	(\$17.1)	(\$950.04)	4.2%
Total	508,947	-11.9%	(\$64.6)	(\$126.91)	2.4%	444,737	-7.8%	(\$15.2)	(\$34.21)	2.7%	953,684	-10.8%	(\$79.8)	(\$83.68)	2.5%

Percent of All Taxpayers by K.A.G.I. Bracket Using Each Alternative

Fiscal Impact:		No Federal Deductability	Federal Deductability
All Taxpayers:	(\$86.6)	\$0 - \$5 100.0%	0.0%
Residents Only:	(\$79.8)	\$5 - \$15 63.4%	36.6%
		\$15 - \$25 90.6%	9.4%
Married Residents:	(\$64.6)	\$25 - \$35 98.4%	1.6%
Single Residents:	(\$15.2)	\$35 - \$50 98.8%	1.2%
		\$50 - \$100 95.8%	4.2%
Non-Residents:	(\$6.8)	\$100 - Over 91.9%	8.1%
		Total 88.4%	11.6%

Individual Income Tax In Tax Year 1989

Taxpayers would be allowed to compute their liability using current law or deduct their federal taxes paid to determine which tax structure would result in the least amount of Kansas tax liability.

Resident Taxpayers

Simulation 7629

Liability Dollars are in Millions

	With Federal Deductability			No Federal Deductability		
		Proposed		Proposed		Current
Married:	\$0 - \$20	4.75%	\$0 - \$35	3.60%	\$0 - \$35	4.05%
	\$20 - \$35	5.00%	\$35 - Over	4.90%	\$35 - Over	5.30%
	\$35 - \$45	8.25%				
	\$45 - Over	8.50%				
Single:	\$0 - \$2	4.75%	\$0 - \$27.5	4.45%	\$0 - \$27.5	4.80%
	\$2 - \$10	5.60%	\$27.5 - Over	5.85%	\$27.5 - Over	6.10%
	\$10 - \$20	5.85%				
	\$20 - \$30	8.25%				
	\$30 - Over	8.50%				

K.A.G.I. Bracket	No. Of Returns	Percent Change	Married			Single					Total Residents				
			Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No K.A.G.I.	9,684	0.0%	\$0.0	\$0.00	0.0%	4,526	0.0%	\$0.0	\$0.00	0.0%	14,211	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	15,895	0.0%	\$0.0	\$0.00	0.0%	105,368	0.0%	\$0.0	\$0.00	0.0%	121,263	0.0%	\$0.0	\$0.00	0.0%
\$5 \$15	66,632	-17.6%	(\$0.5)	(\$7.83)	0.4%	163,684	-9.0%	(\$2.6)	(\$15.86)	1.7%	230,316	-9.8%	(\$3.1)	(\$13.54)	1.3%
\$15 \$25	87,368	-12.2%	(\$3.4)	(\$39.11)	1.4%	96,737	-8.0%	(\$4.4)	(\$45.38)	2.7%	184,105	-9.4%	(\$7.8)	(\$42.40)	2.1%
\$25 \$35	93,368	-11.8%	(\$7.3)	(\$78.53)	2.0%	42,421	-7.8%	(\$3.2)	(\$76.33)	3.1%	135,789	-10.2%	(\$10.6)	(\$77.84)	2.3%
\$35 \$50	112,211	-12.0%	(\$14.6)	(\$129.82)	2.3%	21,579	-7.1%	(\$2.3)	(\$105.13)	3.4%	133,789	-11.0%	(\$16.8)	(\$125.84)	2.4%
\$50 \$100	107,158	-11.1%	(\$22.0)	(\$205.70)	2.6%	9,053	-6.7%	(\$1.6)	(\$177.83)	3.9%	116,211	-10.6%	(\$23.7)	(\$203.53)	2.7%
\$100 Over	16,632	-12.4%	(\$16.2)	(\$974.66)	4.2%	1,368	-4.7%	(\$0.6)	(\$466.08)	5.0%	18,000	-11.7%	(\$16.8)	(\$935.99)	4.2%
Total	508,947	-11.8%	(\$64.1)	(\$125.93)	2.4%	444,737	-7.6%	(\$14.7)	(\$33.14)	2.7%	953,684	-10.7%	(\$78.8)	(\$82.66)	2.5%

Percent of All Taxpayers by K.A.G.I. Bracket Using Each Alternative

Fiscal Impact:		No Federal Deductability	Federal Deductability
All Taxpayers:	(\$85.6)	\$0 - \$5 100.0%	0.0%
Residents Only:	(\$78.8)	\$5 - \$15 80.1%	19.9%
		\$15 - \$25 94.4%	5.6%
Married Residents:	(\$64.1)	\$25 - \$35 99.0%	1.0%
Single Residents:	(\$14.7)	\$35 - \$50 99.6%	0.4%
		\$50 - \$100 99.0%	1.0%
Non-Residents:	(\$6.7)	\$100 - Over 93.2%	6.8%
		Total 93.7%	6.3%

SIMULATION 7538

TAX YEAR 1989
Kansas Personal Exemption is \$2,000

	Proposed	Current
Married: \$0 - \$35,000	3.60%	4.05%
\$35,000 - Over	4.90%	5.30%
Single: \$0 - \$27,500	4.45%	4.80%
\$27,500 - Over	5.85%	6.10%

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1989
Resident Taxpayers

Simulation 7538

Liability Dollars are in Millions

K.A.G.I. Bracket	Married					Single					Total Residents				
	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No K.A.G.I.	9,684	0.0%	\$0.0	\$0.00	0.0%	4,526	0.0%	\$0.0	\$0.00	0.0%	14,211	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	15,895	0.0%	\$0.0	\$0.00	0.0%	105,368	0.0%	\$0.0	\$0.00	0.0%	121,263	0.0%	\$0.0	\$0.00	0.0%
\$5 \$15	66,632	-10.6%	(\$0.3)	(\$4.73)	0.4%	163,684	-7.4%	(\$2.1)	(\$12.98)	1.7%	230,316	-7.7%	(\$2.4)	(\$10.59)	1.3%
\$15 \$25	87,368	-11.5%	(\$3.2)	(\$36.96)	1.4%	96,737	-7.6%	(\$4.2)	(\$43.37)	2.7%	184,105	-8.9%	(\$7.4)	(\$40.33)	2.1%
\$25 \$35	93,368	-11.7%	(\$7.2)	(\$77.64)	2.0%	42,421	-7.7%	(\$3.2)	(\$74.99)	3.1%	135,789	-10.1%	(\$10.4)	(\$76.81)	2.3%
\$35 \$50	112,211	-11.7%	(\$14.2)	(\$126.57)	2.3%	21,579	-7.1%	(\$2.3)	(\$104.31)	3.4%	133,789	-10.7%	(\$16.5)	(\$122.98)	2.5%
\$50 \$100	107,158	-11.1%	(\$22.0)	(\$205.41)	2.6%	9,053	-5.9%	(\$1.4)	(\$158.24)	4.0%	116,211	-10.6%	(\$23.4)	(\$201.74)	2.7%
\$100 Over	16,632	-8.7%	(\$11.4)	(\$686.32)	4.4%	1,368	-4.6%	(\$0.6)	(\$449.23)	5.0%	18,000	-8.3%	(\$12.0)	(\$668.30)	4.4%
Total	508,947	-10.7%	(\$58.4)	(\$114.79)	2.5%	444,737	-7.1%	(\$13.8)	(\$31.03)	2.7%	953,684	-9.8%	(\$72.2)	(\$75.73)	2.5%

Fiscal Impact:

All Taxpayers:	(\$78.9)
Residents Only:	(\$72.2)
Married Residents:	(\$58.4)
Single Residents:	(\$13.8)
Non-Residents:	(\$6.6)

Attachment 1-c
senate Assessment & Tax
1-9-89

SIMULATION 7541

TAX YEAR 1989
 Kansas Personal Exemption is \$2,000
 Federal Deductability

	Proposed	Current
Married:		
\$0 - \$3	3.70%	\$0 - \$35 4.05%
\$3 - \$20	4.30%	\$35 - Over 5.30%
\$20 - \$35	4.75%	
\$35 - \$45	6.25%	
\$45 - Over	7.95%	

Single:		
\$0 - \$2	3.70%	\$0 - \$27.5 4.80%
\$2 - \$5	5.25%	\$27.5 - Over 6.10%
\$5 - \$10	5.75%	
\$10 - \$20	6.00%	
\$20 - \$30	7.55%	
\$30 - Over	7.95%	

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1989
 Resident Taxpayers

Simulation 7541

Liability Dollars are in Millions

K.A.G.I. Bracket	Married					Single					Total Residents				
	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No K.A.G.I.	9,684	0.0%	\$0.0	\$0.00	0.0%	4,526	0.0%	\$0.0	\$0.00	0.0%	14,211	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	15,895	0.0%	\$0.0	\$0.00	0.0%	105,368	0.0%	\$0.0	\$0.00	0.0%	121,263	0.0%	\$0.0	\$0.00	0.0%
\$5 \$15	66,632	-26.6%	(\$0.8)	(\$11.85)	0.3%	163,684	-18.9%	(\$5.5)	(\$33.30)	1.5%	230,316	-19.6%	(\$6.2)	(\$27.10)	1.1%
\$15 \$25	87,368	-15.2%	(\$4.3)	(\$48.97)	1.4%	96,737	-7.2%	(\$3.9)	(\$40.61)	2.7%	184,105	-9.9%	(\$8.2)	(\$44.58)	2.1%
\$25 \$35	93,368	-12.3%	(\$7.7)	(\$81.95)	1.9%	42,421	-3.0%	(\$1.3)	(\$29.79)	3.2%	135,789	-8.6%	(\$8.9)	(\$65.65)	2.3%
\$35 \$50	112,211	-10.2%	(\$12.4)	(\$110.42)	2.3%	21,579	-2.0%	(\$0.7)	(\$30.18)	3.6%	133,789	-8.5%	(\$13.0)	(\$97.48)	2.5%
\$50 \$100	107,158	-11.9%	(\$23.6)	(\$220.25)	2.5%	9,053	-5.0%	(\$1.2)	(\$133.48)	4.0%	116,211	-11.2%	(\$24.8)	(\$213.49)	2.7%
\$100 Over	16,632	-7.1%	(\$9.3)	(\$560.98)	4.4%	1,368	-6.2%	(\$0.8)	(\$611.00)	4.9%	18,000	-7.0%	(\$10.2)	(\$564.78)	4.5%
Total	508,947	-10.7%	(\$58.0)	(\$114.04)	2.5%	444,737	-6.8%	(\$13.3)	(\$29.99)	2.7%	953,684	-9.7%	(\$71.4)	(\$74.85)	2.5%

Fiscal Impact:

All Taxpayers:	(\$77.6)
Residents Only:	(\$71.4)
Married Residents:	(\$58.0)
Single Residents:	(\$13.3)
Non-Residents:	(\$6.2)

SIMULATION 7561

TAX YEAR 1989

Kansas Personal Exemption is \$2,000
Federal Deductibility

Kansas Department Of Revenue

Proposed Current

Married:	\$0 - \$20	4.20%	\$0 - \$35	4.05%
	\$20 - \$35	4.60%	\$35 - Over	5.30%
	\$35 - \$45	6.80%		
	\$45 - Over	7.95%		

**Individual Income Tax In Tax Year 1989
Resident Taxpayers**

Simulation 7561

Single:	\$0 - \$2	4.20%	\$0 - \$27.5	4.80%
	\$2 - \$10	5.50%	\$27.5 - Over	6.10%
	\$10 - \$20	5.65%		
	\$20 - \$30	7.25%		
	\$30 - Over	7.95%		

Liability Dollars are in Millions

K.A.G.I. Bracket	Married					Single					Total Residents				
	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No K.A.G.I.	9,684	0.0%	\$0.0	\$0.00	0.0%	4,526	0.0%	\$0.0	\$0.00	0.0%	14,211	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	15,895	0.0%	\$0.0	\$0.00	0.0%	105,368	0.0%	\$0.0	\$0.00	0.0%	121,263	0.0%	\$0.0	\$0.00	0.0%
\$5 \$15	66,632	-18.5%	(\$0.5)	(\$8.23)	0.3%	163,684	-13.9%	(\$4.0)	(\$24.48)	1.6%	230,316	-14.3%	(\$4.6)	(\$19.78)	1.2%
\$15 \$25	87,368	-12.3%	(\$3.5)	(\$39.53)	1.4%	96,737	-7.0%	(\$3.8)	(\$39.66)	2.7%	184,105	-8.8%	(\$7.3)	(\$39.60)	2.1%
\$25 \$35	93,368	-11.9%	(\$7.4)	(\$79.07)	2.0%	42,421	-5.4%	(\$2.2)	(\$52.57)	3.2%	135,789	-9.3%	(\$9.6)	(\$70.79)	2.3%
\$35 \$50	112,211	-11.0%	(\$13.3)	(\$118.67)	2.3%	21,579	-5.1%	(\$1.6)	(\$75.73)	3.4%	133,789	-9.8%	(\$14.9)	(\$111.74)	2.5%
\$50 \$100	107,158	-12.5%	(\$24.7)	(\$230.93)	2.5%	9,053	-7.2%	(\$1.7)	(\$192.51)	3.9%	116,211	-11.9%	(\$26.5)	(\$227.94)	2.6%
\$100 Over	16,632	-7.1%	(\$9.2)	(\$555.51)	4.4%	1,368	-6.8%	(\$0.9)	(\$671.00)	4.9%	18,000	-7.0%	(\$10.2)	(\$564.29)	4.5%
Total	508,947	-10.8%	(\$58.7)	(\$115.31)	2.5%	444,737	-7.4%	(\$14.4)	(\$32.31)	2.7%	953,684	-9.9%	(\$73.1)	(\$76.60)	2.5%

Fiscal Impact:

All Taxpayers:	(\$79.5)
Residents Only:	(\$73.1)
Married Residents:	(\$58.7)
Single Residents:	(\$14.4)
Non-Residents:	(\$6.5)

Individual Income Tax In Tax Year 1989
Resident Taxpayers

Simulation 7562

Taxpayers would be allowed to use the current tax structure or deduct their federal taxes paid to determine which tax structure would result in the least amount of Kansas tax.

Liability Dollars are in Millions

	With Federal Deductability		No Federal Deductability		Current
		Proposed		Proposed	
Married:	\$0 - \$20	4.20%	\$0 - \$35	3.60%	\$0 - \$35 4.05%
	\$20 - \$35	4.60%	\$35 - Over	4.90%	\$35 - Over 5.30%
	\$35 - \$45	6.80%			
	\$45 - Over	7.95%			
Single:	\$0 - \$2	4.20%	\$0 - \$27.5	4.45%	\$0 - \$27.5 4.80%
	\$2 - \$10	5.50%	\$27.5 - Over	5.85%	\$27.5 - Over 6.10%
	\$10 - \$20	5.65%			
	\$20 - \$30	7.25%			
	\$30 - Over	7.95%			

K.A.G.I. Bracket	No. Of Returns	Percent Change	Married			Single					Total Residents				
			Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No K.A.G.I.	9,684	0.0%	\$0.0	\$0.00	0.0%	4,526	0.0%	\$0.0	\$0.00	0.0%	14,211	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	15,895	0.0%	\$0.0	\$0.00	0.0%	105,368	0.0%	\$0.0	\$0.00	0.0%	121,263	0.0%	\$0.0	\$0.00	0.0%
\$5 \$15	66,632	-18.6%	(\$0.6)	(\$8.27)	0.3%	163,684	-11.8%	(\$3.4)	(\$20.78)	1.6%	230,316	-12.4%	(\$4.0)	(\$17.16)	1.2%
\$15 \$25	87,368	-12.5%	(\$3.5)	(\$40.28)	1.4%	96,737	-8.4%	(\$4.6)	(\$47.51)	2.7%	184,105	-9.8%	(\$8.1)	(\$44.08)	2.1%
\$25 \$35	93,368	-12.0%	(\$7.4)	(\$79.65)	2.0%	42,421	-7.9%	(\$3.3)	(\$77.02)	3.1%	135,789	-10.3%	(\$10.7)	(\$78.83)	2.3%
\$35 \$50	112,211	-12.4%	(\$15.0)	(\$133.62)	2.3%	21,579	-7.5%	(\$2.4)	(\$111.55)	3.4%	133,789	-11.4%	(\$17.4)	(\$130.06)	2.4%
\$50 \$100	107,158	-13.4%	(\$26.5)	(\$247.73)	2.5%	9,053	-8.4%	(\$2.0)	(\$224.74)	3.9%	116,211	-12.9%	(\$28.6)	(\$245.94)	2.6%
\$100 Over	16,632	-13.9%	(\$18.2)	(\$1,092.47)	4.1%	1,368	-6.8%	(\$0.9)	(\$669.92)	4.9%	18,000	-13.2%	(\$19.1)	(\$1,060.35)	4.2%
Total	508,947	-13.1%	(\$71.2)	(\$139.93)	2.4%	444,737	-8.5%	(\$16.6)	(\$37.38)	2.7%	953,684	-11.9%	(\$87.8)	(\$92.11)	2.5%

Percent of All Taxpayers by K.A.G.I. Bracket
Using Each Alternative

Fiscal Impact:		No Federal Deductability		Federal Deductability	
All Taxpayers:	(\$95.4)	\$0 - \$5	100.0%	0.0%	
Residents Only:	(\$87.8)	\$5 - \$15	50.1%	49.9%	
		\$15 - \$25	85.6%	14.4%	
Married Residents:	(\$71.2)	\$25 - \$35	82.8%	17.2%	
Single Residents:	(\$16.6)	\$35 - \$50	83.7%	16.3%	
		\$50 - \$100	32.9%	67.1%	
Non-Residents:	(\$7.6)	\$100 - Over	77.0%	23.0%	
		Total	70.8%	29.2%	

"ROE OPTION"

Taxpayers would be allowed to compute their liability using current law or deduct their federal taxes paid to determine which tax structure would result in the least amount of Kansas tax liability.

Individual Income Tax In Tax Year 1989
Resident Taxpayers

Simulation 7574

	With Federal Deductability		No Federal Deductability			
		Proposed		Proposed	Current	
Married:	\$0 - \$20	6.00%	\$0 - \$35	3.60%	\$0 - \$35	4.05%
	\$20 - \$35	8.00%	\$35 - Over	4.95%	\$35 - Over	5.30%
	\$35 - \$45	9.00%				
	\$45 - Over	10.00%				
Single:	\$0 - \$2	6.00%	\$0 - \$27.5	4.45%	\$0 - \$27.5	4.80%
	\$2 - \$10	7.50%	\$27.5 - Over	5.90%	\$27.5 - Over	6.10%
	\$10 - \$20	8.00%				
	\$20 - \$30	9.00%				
	\$30 - Over	10.00%				

Liability Dollars are in Millions

		Married					Single					Total Residents				
K.A.G.I. Bracket	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	
No K.A.G.I.	9,684	0.0%	\$0.0	\$0.00	0.0%	4,526	0.0%	\$0.0	\$0.00	0.0%	14,211	0.0%	\$0.0	\$0.00	0.0%	
\$0 \$5	15,895	0.0%	\$0.0	\$0.00	0.0%	105,368	0.0%	\$0.0	\$0.00	0.0%	121,263	0.0%	\$0.0	\$0.00	0.0%	
\$5 \$15	66,632	-16.6%	(\$0.5)	(\$7.39)	0.4%	163,684	-8.2%	(\$2.4)	(\$14.46)	1.7%	230,316	-9.0%	(\$2.9)	(\$12.42)	1.3%	
\$15 \$25	87,368	-12.1%	(\$3.4)	(\$38.79)	1.4%	96,737	-7.8%	(\$4.3)	(\$44.16)	2.7%	184,105	-9.2%	(\$7.7)	(\$41.62)	2.1%	
\$25 \$35	93,368	-11.8%	(\$7.3)	(\$78.17)	2.0%	42,421	-7.7%	(\$3.2)	(\$75.55)	3.1%	135,789	-10.1%	(\$10.5)	(\$77.35)	2.3%	
\$35 \$50	112,211	-11.9%	(\$14.4)	(\$128.32)	2.3%	21,579	-6.9%	(\$2.2)	(\$102.53)	3.4%	133,789	-10.8%	(\$16.6)	(\$124.16)	2.5%	
\$50 \$100	107,158	-10.8%	(\$21.3)	(\$199.22)	2.6%	9,053	-5.5%	(\$1.3)	(\$147.23)	4.0%	116,211	-10.2%	(\$22.7)	(\$195.17)	2.7%	
\$100 Over	16,632	-8.5%	(\$11.2)	(\$672.33)	4.4%	1,368	-3.8%	(\$0.5)	(\$378.38)	5.0%	18,000	-8.1%	(\$11.7)	(\$649.98)	4.4%	
Total	508,947	-10.7%	(\$58.1)	(\$114.17)	2.5%	444,737	-7.1%	(\$13.9)	(\$31.27)	2.7%	953,684	-9.8%	(\$72.0)	(\$75.51)	2.5%	

Percent of All Taxpayers by K.A.G.I. Bracket
Using Each Alternative

Fiscal Impact:		No Federal Deductability	Federal Deductability
All Taxpayers:	(\$78.5)	\$0 - \$5	100.0%
Residents Only:	(\$72.0)	\$5 - \$15	98.9%
		\$15 - \$25	99.0%
Married Residents:	(\$58.1)	\$25 - \$35	99.4%
Single Residents:	(\$13.9)	\$35 - \$50	99.4%
		\$50 - \$100	99.8%
Non-Residents:	(\$6.5)	\$100 - Over	97.0%
		Total	99.3%

Individual Income Tax In Tax Year 1989
Resident Taxpayers

Simulation 7589

Taxpayers would be allowed to compute their liability using the Governor's Proposal or deduct their federal taxes paid to determine which tax structure would result in the least amount of Kansas tax liability.

Liability Dollars are in Millions

	With Federal Deductability			No Federal Deductability		
		Proposed		Proposed		Current
Married:	\$0 - \$20	4.30%	\$0 - \$15	3.60%	\$0 - \$35	4.05%
	\$20 - \$35	4.50%	\$15 - \$35	3.75%	\$35 - Over	5.30%
	\$35 - \$45	7.25%	\$35 - Over	5.15%		
	\$45 - Over	8.50%				
Single:	\$0 - \$2	4.30%	\$0 - \$17.5	4.50%	\$0 - \$27.5	4.80%
	\$2 - \$10	5.50%	\$17.5 - \$27.5	4.65%	\$27.5 - Over	6.10%
	\$10 - \$20	5.85%	\$27.5 - Over	5.95%		
	\$20 - \$30	7.25%				
	\$30 - Over	8.50%				

K.A.G.I. Bracket	Married					Single					Total Residents				
	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No K.A.G.I.	9,684	0.0%	\$0.0	\$0.00	0.0%	4,526	0.0%	\$0.0	\$0.00	0.0%	14,211	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	15,895	0.0%	\$0.0	\$0.00	0.0%	105,368	0.0%	\$0.0	\$0.00	0.0%	121,263	0.0%	\$0.0	\$0.00	0.0%
\$5 \$15	66,632	-18.4%	(\$0.5)	(\$8.18)	0.3%	163,684	-11.0%	(\$3.2)	(\$19.29)	1.6%	230,316	-11.7%	(\$3.7)	(\$16.07)	1.2%
\$15 \$25	87,368	-12.4%	(\$3.5)	(\$39.79)	1.4%	96,737	-7.3%	(\$4.0)	(\$41.43)	2.7%	184,105	-9.0%	(\$7.5)	(\$40.65)	2.1%
\$25 \$35	93,368	-11.2%	(\$7.0)	(\$74.49)	2.0%	42,421	-6.0%	(\$2.5)	(\$59.21)	3.1%	135,789	-9.1%	(\$9.5)	(\$69.71)	2.3%
\$35 \$50	112,211	-10.7%	(\$13.0)	(\$116.16)	2.3%	21,579	-5.6%	(\$1.8)	(\$83.32)	3.4%	133,789	-9.7%	(\$14.8)	(\$110.87)	2.5%
\$50 \$100	107,158	-11.5%	(\$22.7)	(\$212.30)	2.6%	9,053	-5.9%	(\$1.4)	(\$156.51)	4.0%	116,211	-10.9%	(\$24.2)	(\$207.95)	2.7%
\$100 Over	16,632	-9.5%	(\$12.5)	(\$750.63)	4.3%	1,368	-3.5%	(\$0.5)	(\$340.54)	5.0%	18,000	-9.0%	(\$13.0)	(\$719.46)	4.4%
Total	508,947	-10.9%	(\$59.2)	(\$116.41)	2.5%	444,737	-6.9%	(\$13.4)	(\$30.03)	2.7%	953,684	-9.8%	(\$72.6)	(\$76.13)	2.5%

Percent of All Taxpayers by K.A.G.I. Bracket
Using Each Alternative

Fiscal Impact:	No Federal Deductability		Federal Deductability	
All Taxpayers:	(\$78.9)	\$0 - \$5	100.0%	0.0%
Residents Only:	(\$72.6)	\$5 - \$15	44.1%	55.9%
		\$15 - \$25	82.6%	17.4%
Married Residents:	(\$59.2)	\$25 - \$35	95.9%	4.1%
Single Residents:	(\$13.4)	\$35 - \$50	82.4%	17.6%
		\$50 - \$100	27.0%	73.0%
Non-Residents:	(\$6.3)	\$100 - Over	82.1%	17.9%
		Total	70.0%	30.0%

Prospective Conformity to Federal Standard Deductions in 1989 and Personal Exemptions in 1990. Taxpayers would be allowed to compute their liability using the Governor's Proposal or deduct their federal taxes paid to determine which tax structure would result in the least amount of Kansas tax liability.

Individual Income Tax In Tax Year 1989

Resident Taxpayers

Simulation 7611

Liability Dollars are in Millions

	With Federal Deductability		No Federal Deductability			
		Proposed		Proposed	Current	
Married:	\$0 - \$20	4.55%	\$0 - \$35	3.85%	\$0 - \$35	4.05%
	\$20 - \$35	4.85%	\$35 - Over	5.20%	\$35 - Over	5.30%
	\$35 - \$45	7.45%				
	\$45 - Over	8.45%				
Single:	\$0 - \$2	4.55%	\$0 - \$27.5	4.65%	\$0 - \$27.5	4.80%
	\$2 - \$10	5.60%	\$27.5 - Over	6.00%	\$27.5 - Over	6.10%
	\$10 - \$20	5.75%				
	\$20 - \$30	7.50%				
	\$30 - Over	8.45%				

K.A.G.I. Bracket	No. Of Returns	Percent Change	Married			Single					Total Residents				
			Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No K.A.G.I.	9,684	0.0%	\$0.0	\$0.00	0.0%	4,526	0.0%	\$0.0	\$0.00	0.0%	14,211	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	15,895	0.0%	\$0.0	\$0.00	0.0%	105,368	0.0%	\$0.0	\$0.00	0.0%	121,263	0.0%	\$0.0	\$0.00	0.0%
\$5 \$15	66,632	-17.5%	(\$0.5)	(\$7.78)	0.4%	163,684	-11.0%	(\$3.2)	(\$19.40)	1.6%	230,316	-11.6%	(\$3.7)	(\$16.04)	1.2%
\$15 \$25	87,368	-8.1%	(\$2.3)	(\$26.03)	1.5%	96,737	-5.4%	(\$3.0)	(\$30.86)	2.8%	184,105	-6.3%	(\$5.3)	(\$28.57)	2.1%
\$25 \$35	93,368	-6.4%	(\$4.0)	(\$42.76)	2.1%	42,421	-4.3%	(\$1.8)	(\$42.32)	3.2%	135,789	-5.6%	(\$5.8)	(\$42.62)	2.4%
\$35 \$50	112,211	-6.3%	(\$7.6)	(\$68.01)	2.4%	21,579	-4.3%	(\$1.4)	(\$63.55)	3.5%	133,789	-5.9%	(\$9.0)	(\$67.29)	2.6%
\$50 \$100	107,158	-6.7%	(\$13.2)	(\$123.30)	2.7%	9,053	-4.9%	(\$1.2)	(\$130.74)	4.0%	116,211	-6.5%	(\$14.4)	(\$123.88)	2.8%
\$100 Over	16,632	-8.0%	(\$10.5)	(\$633.38)	4.4%	1,368	-2.8%	(\$0.4)	(\$277.69)	5.1%	18,000	-7.6%	(\$10.9)	(\$606.34)	4.4%
Total	508,947	-7.0%	(\$38.2)	(\$74.98)	2.6%	444,737	-5.6%	(\$10.9)	(\$24.49)	2.7%	953,684	-6.6%	(\$49.1)	(\$51.44)	2.6%

Percent of All Taxpayers by K.A.G.I. Bracket Using Each Alternative

Fiscal Impact:		No Federal Deductability	Federal Deductability
All Taxpayers:	(\$53.1)	\$0 - \$5	100.0%
Residents Only:	(\$49.1)	\$5 - \$15	44.4%
		\$15 - \$25	78.9%
Married Residents:	(\$38.2)	\$25 - \$35	95.5%
Single Residents:	(\$10.9)	\$35 - \$50	81.9%
		\$50 - \$100	26.6%
Non-Residents:	(\$4.1)	\$100 - Over	82.1%
		Total	69.2%
			30.8%