

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by SENATOR DAN THIESSEN at
Chairperson

11:00 a.m./~~p.m.~~ on Monday, February 5, 1990 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Don Hayward, Revisor's Office
Chris Courtwright, Research Department
Tom Severn, Research Department
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

John Luttjohann, Director of Taxation, Department of Revenue
Steve Stotts, Department of Revenue
Johathan P. Small, Attorney at Law, Topeka, KS

Chairman Thiessen called the meeting to order at 11:00 a.m. and told the members they have minutes dated January 30, 1990 in front of them and he would call for a motion on them at the end of the meeting.

He said some had been wondering why we were having a briefing on HCR5040 and he said, he thought with a bill as important as this one, is something we need information on and he said, we have several other constitutional amendments in committee that we will be having hearings on very shortly, and he said this is an informational meeting. He felt sure that all members had been getting questions from their constituents on what is being proposed, and he said this is a very timely topic for the committee.

He said, he is also trying to accommodate conferees wanting to appear in the House committee, and said we will be having hearings on the same day as the House, which is much like a joint committee, but it is hard to have a joint committee because the members have other meetings in the hours that the House meets, and he said this is one way to accommodate the people.

The Chairman recognized John Luttjohann, Director of Taxation to present HCR5040.

HCR5040: A PROPOSITION to amend article 11 of the constitution of the state of Kansas, relating to the taxation of property.

John Luttjohann said he had passed out to the members the latest scheduled list and numbers of payments under protest, by Counties through the 29th of January.

ATTACHMENT 1.

John Luttjohann said the resolution has 3 key components dealing with reducing the reliance of local units of government on the property tax. It provides for a rollback of property taxes in 1991, it permanently limits the growth of the property tax, and it provides flexibility by allowing the voters of any taxing district to opt out of its limitations.

He said, now is the time to enact a constitutional limitation on property tax. The people of KS are sensitized to the issue. A change in the constitution will provide a permanent and lasting solution to the property tax problem we face.

He said, the proposition before the committee adds new section 14 to Article 11 of the KS Constitution.

Mr. Luttjohann said Kansas is a high property tax state in relation to the rest of the nation. You will see on the attached chart that we rank 15th in the nation for most reliance on the property tax. Currently 35 states rely less heavily on the property tax than Kansas. Adoption of this constitutional change will decrease local governments' property tax revenues by approximately \$314M state-wide. This represents a decrease in the property tax burden from 33% to 28% of total taxes collected.

Paragraph (a) (page 1, line 21) provides that the total tax revenues produced by any taxing district from tangible property in tax year 1991 shall not exceed 80% of such district's revenue from tangible property in 1989. This amounts to a blanket 20% rollback, and applies at the taxing district level.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~ on Monday, February 5, 1990

Paragraph (a) (page 1, line 24) also limits future growth in property taxes. It provides two options for taxing districts, which were designed to address situations where there is either a declining, stable or growing tax base. In years after 1991, property taxes could only grow by the impact on the rate of inflation on the greater of (1) the district's tax revenue in the preceding year, of (2) the amount produced by imposing a mill levy upon tangible personal property which is equivalent to the mill levy of the preceding year.

Paragraph (b) (page 1, line 33) provides that the citizens of each taxing district have the right by a vote of the people, to exempt the district from either the rollback, the annual growth limitation, or both. The people may vote that the property tax limitations not apply in any one year, or for a specified number of years.

Paragraph (c) (page 2, line 6) exempts bonds which are not payable from general tax revenue from the limitations.

Director Luttjohann said they believe this proposal is straight forward and understandable. When the question is on the ballot, the voters will know what they're voting for. It's mission is to reduce our state's reliance on the property tax. (ATTACHMENT 2).

Chairman Thiessen asked Mr. Luttjohann if he anticpated any problems with voting to opt out. He said, a few years ago on the intangibles tax, we levied the tax to state level and later allowed the local units to repeal that, and that was ruled unconstitutional in the supreme court, and he said, this would be something a bit in reverse of that, but would still be rolling back statewide and opting out at the local level.

Director Luttjohann said he did not believe that would be a problem, because the roll-back is strictly on dollars collected and not on the type of property being taxed

There was committee discussion on the roll back, and how it would affect certain counties and the increase the smaller counties would have to have in their sales taxes, and the larger counties getting the same roll-back and they will not be wanting to give the money back to the smaller counties.

Director Luttjohann said the 20% roll-back applies to the total revenue of the district.

Senator Montgomery said the reason for reappraisal is because of the school districts, he said, it wasn't anything else its because the school districts cross over county boundries, and that is what the courts look at, that provision that says there shall be an opportunity for each child to receive equal number of dollars to provide for their education. He said, this is all based on the same thing, giving equal opportunity for equal dollars.

After committee discussion by the members and answers by Director Luttjohann. Director Luttjohann said the Governor tried to get something everyone could understand, and to quote the Governor he said, "Politics is the art of possible" and he said, the Governor thought this proposition would have a resonable chance of getting on the ballot for the people.

Senator Langworthy said the front page of his handout talks about the decrease in property tax from 33% to 28% in total taxes collected, and yet in the charts you have before us, the property tax is currently at 37.4% total tax amount. She asked, which number is correct?

John Luttjohann said 33% is the 1989 estimate and the charts are fiscal year 1987.

Steve Stotts, Department of Revenue said property taxes have declined from a high 50% rate down to about 33%. Senator Langworthy asked when was it 50%. Mr. Stotts said in the sixties, prior to the other reappraisal.

After committee discussion and questions, answered by Director Luttjohann, The Chairman thanked Director Luttjohann and said we would be having additional meetings on HCR5040 and additional information at a later date.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,
room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~ on Monday, February 5, 1990

The Chairman asked for a motion on the minutes of January 30, 1990.

Senator Karr moved to adopt the minutes favorably of January 30, 1990, 2nd by Senator Francisco. The motion carried.

Senator Francisco introduced Jonathan P. Small saying he would like to have the committee introduce a bill.

Jonathan P. Small said in his handout he has listed the provision of the proposed bill. He said, it would amend the present structure which is 4.25% on the gross retail sales, to change that formula so it is computed on a percentage of the net cost to the vender, and it would also provide, that all vending machines in Kansas be licensed. (ATTACHMENT 3)

Senator Francisco moved to introduce the proposed bill, 2nd by Senator Martin. The motion carried.

Chairman Thiessen adjourned the meeting at 12:05 p.m.

GUEST LIST

COMMITTEE: SENATE ASSESSMENT & TAXATION

DATE: Monday, 2-5-90

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
HAI GIBREATH	1114 SW 132 TOPEKA	Bd. of Tax Appeals
Don Anderson	2233 CROCO Jop	KFFT
<i>[Signature]</i>	823 Quincy	<i>[Signature]</i>
Janet Stubbs	Topeka	ABAK
JERRY CLINARD	TOPEKA	SANDRA PERRY CO
DENNY KOCH	"	SW Bell
JERRY COONROD	Law	KGE
Jim Gartner	Topeka	SW Bell
Sharon E. Pitts	Colby	individual
Ken Baker	Topeka	4th Fundment USD's
Ed Walburn	Topeka	Walburn Univ
Nancy Macy	Salina	visitor
Kensie Kelly	OP	Sen
Mike Miller	Topeka	City of Topeka
Jiff Smith	TOPEKA	KWCSI
Lou Montesano	Topeka	Sen. Ehrlich's office
George Barber	Topeka	Barber & Associates
John Vohrt	"	KAC
Anne Smith	Topeka	KAC
MIKE LOWE	Lawrence	INTERN. - SW BAKE
ALAN STEPPAT	Topeka	KLPB - McGill & Assoc.
TOM TUNNELL	Topeka	KANSAS GRAIN & FEED ASSN
Jonathan Small	Topeka	Ks Auto Merchan. Assoc
Tom Burgess	Topeka	Ks BA
Kimberly Thompson	Haysville	Close-up Kansas

ATT1
2-5-90

PUPCOUNT TOTALS
(PUPCOUNT.FRM)

CO#	COUNTY NAME	REG/ DIST	REPORT DATE	NUMBER OF PARCELS PROTESTED	PERCENT OF PARCELS PROTESTED	NUMBER OF PARCELS ADJUSTED	PERCENT OF ADJUSTED
001	ALLEN	A-5	01/24/90	533	5.27	0	0.00
002	ANDERSON	A-4	01/29/90	177	2.58	63	35.59
003	ATCHISON	A-2	01/26/90	832	9.28	8	0.96
004	BARBER	B-3	01/30/90	494	7.51	11	2.23
005	BARTON	B-2	01/11/90	804	4.75	0	0.00
006	BOURBON	A-4	01/29/90	861	7.59	0	0.00
007	BROWN	A-2	01/29/90	713	8.65	0	0.00
008	BUTLER	B-4	01/02/90	236	0.89	0	0.00
009	CHASE	B-4	01/16/90	294	7.11	0	0.00
010	CHAUTAUQUA	B-4	01/29/90	242	4.73	9	3.72
011	CHEROKEE	A-4	01/11/90	123	0.81	0	0.00
012	CHEYENNE	C-2	01/23/90	121	2.62	0	0.00
013	CLARK	C-4	01/16/90	51	1.31	23	45.10
014	CLAY	B-2	01/22/90	173	2.42	14	8.09
015	CLOUD	B-1	01/29/90	144	1.59	0	0.00
016	COFFEY	A-5	01/26/90	570	7.52	27	4.74
017	COMMANCHE	B-3	01/18/90	18	0.56	0	0.00
018	COWLEY	B-4	01/29/90	2236	11.20	394	17.62
019	CRAWFORD	A-4	01/26/90	1457	6.71	0	0.00
020	DECATUR	C-1	01/12/90	44	0.88	0	0.00
021	DICKINSON	B-2	01/20/90	1047	8.34	197	18.82
022	DONIPHAN	A-2	01/26/90	478	6.93	48	10.04
023	DOUGLAS	A-3	01/17/90	1033	4.02	107	10.36
024	EDWARDS	B-3	01/12/90	159	3.53	0	0.00
025	ELK	B-4	01/29/90	135	3.02	13	9.63
026	ELLIS	C-1	01/22/90	506	3.66	7	1.38
027	ELLSWORTH	B-2	01/29/90	534	9.03	0	0.00
028	FINNEY	C-3	01/29/90	263	1.82	59	22.43
029	FORD	C-3	01/26/90	655	4.49	106	16.18
030	FRANKLIN	A-4	01/26/90	580	5.05	42	7.24
031	GEARY	A-1	01/22/90	252	2.56	22	8.73
032	GOVE	C-2	01/26/90	237	5.24	11	4.64
033	GRAHAM	C-1	01/23/90	384	7.42	58	15.10
034	GRANT	C-4	01/19/90	38	0.90	10	26.32
035	GRAY	C-3	01/16/90	235	4.98	35	14.89
036	GREELEY	C-3	02/01/90	15	0.47	0	0.00
037	GREENWOOD	B-4	01/29/90	352	4.12	153	43.47
038	HAMILTON	C-4	01/29/90	75	1.81	18	24.00
039	HARPER	B-3	01/11/90	287	4.25	0	0.00
040	HARVEY	B-4	01/29/90	1342	8.96	74	5.51
041	HASKELL	C-4	01/15/90	55	1.82	0	0.00
042	HODGEMAN	C-3	01/29/90	115	3.44	29	25.22
043	JACKSON	A-1	01/26/90	573	7.24	36	6.28
044	JEFFERSON	A-2	01/19/90	261	1.93	32	12.26
045	JEWELL	B-1	01/28/90	409	5.97	122	29.83
046	JOHNSON	A-3	01/25/90	8106	6.15	0	0.00
047	KEARNY	C-3	11/22/89	0	0.00	0	*****

SENATE ASSESSMENT & TAXATION
Monday, February 5, 1990
ATTACHMENT 1

PUPCOUNT TOTALS
(PUPCOUNT.FRM)

CO#	COUNTY NAME	REG/ DIST	REPORT DATE	NUMBER OF PARCELS PROTESTED	PERCENT OF PARCELS PROTESTED	NUMBER OF PARCELS ADJUSTED	PERCENT OF ADJUSTED
048	KINGMAN	B-3	01/26/90	1289	17.92	48	3.72
049	KIOWA	B-3	01/22/90	47	1.18	3	6.38
050	LABETTE	A-5	01/30/90	670	4.43	182	27.16
051	LANE	C-3	01/22/90	144	4.18	0	0.00
052	LEAVENWORTH	A-2	01/19/90	2154	10.21	352	16.34
053	LINCOLN	B-1	01/22/90	150	3.05	0	0.00
054	LINN	A-4	01/23/90	103	0.55	22	21.36
055	LOGAN	C-2	01/22/90	216	4.48	11	5.09
056	LYON	A-3	01/23/90	872	5.29	44	5.05
057	MARION	B-4	01/29/90	185	1.72	74	40.00
058	MARSHALL	A-1	01/26/90	554	5.62	49	8.84
059	MCPHERSON	B-2	01/15/90	572	3.62	0	0.00
060	MEADE	C-4	01/23/90	242	4.77	48	19.83
061	MIAMI	A-4	01/29/90	621	5.14	80	12.88
062	MITCHELL	B-1	01/19/90	274	3.99	135	49.27
063	MONTGOMERY	A-5	01/28/90	2059	9.10	12	0.58
064	MORRIS	A-3	01/30/90	286	4.70	0	0.00
065	MORTON	C-4	01/16/90	81	1.86	0	0.00
066	NEMAHA	A-1	01/17/90	501	6.33	2	0.40
067	NEOSHO	A-5	01/09/90	246	2.24	0	0.00
068	NESS	C-3	01/18/90	185	3.26	38	20.54
069	NORTON	C-1	01/29/90	330	5.56	2	0.61
070	OSAGE	A-3	01/16/90	172	1.58	0	0.00
071	OSBORN	B-1	01/29/90	69	1.10	17	24.64
072	OTTAWA	B-2	01/23/90	54	0.91	18	33.33
073	PAWNEE	B-3	01/31/90	603	9.92	35	5.80
074	PHILLIPS	C-1	01/15/90	230	3.09	8	3.48
075	POTTAWATOMIE	A-1	01/22/90	335	3.02	72	21.49
076	PRATT	B-3	01/11/90	138	1.84	0	0.00
077	RAWLINS	C-2	01/22/90	595	12.18	8	1.34
078	RENO	B-3	01/29/90	2774	8.14	180	6.49
079	REPUBLIC	B-1	01/29/90	257	3.60	32	12.45
080	RICE	B-2	01/25/90	747	8.16	465	62.25
081	RILEY	A-1	01/29/90	965	5.15	69	7.15
082	ROOKS	C-1	01/22/90	514	7.84	36	7.00
083	RUSH	C-1	01/29/90	96	1.75	0	0.00
084	RUSSELL	B-2	01/29/90	1065	13.66	41	3.85
085	SALINE	B-2	01/29/90	1908	8.39	127	6.66
086	SCOTT	C-3	01/24/90	242	5.08	30	12.40
087	SEDGWICK	B-4	01/26/90	6733	4.40	512	7.60
088	SEWARD	C-4	01/29/90	757	8.11	102	13.47
089	SHAWNEE	A-1	01/25/90	3690	5.67	131	3.55
090	SHERIDAN	C-1	01/23/90	499	12.73	0	0.00
091	SHERMAN	C-2	01/19/90	207	3.52	0	0.00
092	SMITH	B-1	01/29/90	442	6.36	51	11.54
093	STAFFORD	B-3	01/18/90	474	7.88	33	6.96
094	STANTON	C-4	01/29/90	20	0.66	0	0.00

1-2

1-3

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CO#	COUNTY NAME	REG/ DIST	REPORT DATE	NUMBER OF PARCELS PROTESTED	PERCENT OF PARCELS PROTESTED	NUMBER OF PARCELS ADJUSTED	PERCENT OF ADJUSTED
095	STEVENS	C-4	01/26/90	35	0.81	0	0.00
096	SUMNER	B-4	02/01/90	1557	9.44	72	4.62
097	THOMAS	C-2	01/12/90	324	4.46	0	0.00
098	TREGO	C-1	01/29/90	334	7.38	34	10.18
099	WABAUNSEE	A-3	01/15/90	143	2.36	30	20.98
100	WALLACE	C-2	01/29/90	15	0.53	4	26.67
101	WASHINGTON	B-1	01/22/90	374	4.83	45	12.03
102	WICHITA	C-2	01/19/90	29	0.91	0	0.00
103	WILSON	A-5	01/26/90	945	9.36	39	4.13
104	WOODSON	A-5	01/24/90	124	2.50	19	15.32
105	WYANDOTTE	A-2	01/22/90	6609	9.55	2001	30.28
**	Total ***			74105		7041	

1772
-90



KANSAS DEPARTMENT OF REVENUE

Property Valuation Division
Robert B. Docking State Office Building
Topeka, Kansas 66625-0001
(913) 296-4218

MEMORANDUM

**TO: THE HONORABLE DAN THIESSEN, CHAIRMAN
SENATE COMMITTEE ON ASSESSMENT AND TAXATION**

FROM: JOHN R. LUTTJOHANN *[Signature]*
DIRECTOR, DIVISION OF PROPERTY VALUATION

DATE: FEBRUARY 5, 1990

RE: HCR 5040

Thank you for the opportunity to appear today to discuss Governor Hayden's proposal to amend that portion of our state's constitution which deals with property tax.

The resolution before you has three key components dealing with reducing the reliance of local units of government on the property tax. It provides for a rollback of property taxes in 1991, it permanently limits the growth of the property tax, and it provides flexibility by allowing the voters of any taxing district to opt out of its limitations.

Reappraisal and Classification have caused significant shifts in the property tax burden in our state. We have all heard from homeowners and small businesses that the local property taxes they are being asked to pay are simply too high.

The tax lid in the Reappraisal bill did not work as anticipated. There were many exemptions in the bill, and local government revenues in some areas increased significantly more than expected.

Kansas is a high property tax state in relation to the rest of the nation. You will see on the attached chart that we rank 15th in the nation for most reliance on the property tax. Currently 35 states rely less heavily on the property tax than Kansas. Adoption of this constitutional change will decrease local governments' property tax revenues by approximately \$314 million state-wide. This represents a decrease in the property tax burden from 33% to 28% of total taxes collected.

Now is the time to enact a constitutional limitation on property tax. The people of Kansas are sensitized to the issue. A change in the constitution will provide a permanent and lasting solution to the property tax problem we face.

The proposition before you adds new section 14 to Article 11 of the Kansas Constitution.

SENATE ASSESSMENT AND TAXATION
Monday, February 5, 1990
ATTACHMENT 2

Paragraph (a) [page 1, line 21] provides that the total tax revenues produced by any taxing district from tangible property in tax year 1991 shall not exceed 80% of such district's revenue from tangible property in 1989. This amounts to a blanket 20% rollback, and applies at the taxing district level.

Paragraph (a) [page 1, line 24] also limits future growth in property taxes. It provides two options for taxing districts, which were designed to address situations where there is either a declining, stable or growing tax base. In years after 1991, property taxes could only grow by the impact on the rate of inflation on the greater of (1) the district's tax revenue in the preceding year, or (2) the amount produced by imposing a mill levy upon tangible personal property which is equivalent to the mill levy of the preceding year.

Paragraph (b) [page 1, line 33] provides that the citizens of each taxing district have the right, by a vote of the people, to exempt the district from either the rollback, the annual growth limitation, or both. The people may vote that the property tax limitations not apply in any one year, or for a specified number of years.

exclusion
Paragraph (c) [page 2, line 6] exempts bonds which are not payable from general tax revenue from the limitations.

The proposition would be placed on the general election ballot on November 6, 1990. Historically, a general election provides the greatest amount of public participation.

The Governor has stated that he will soon be appointing a "Blue Ribbon", non-partisan commission specifically charged with the responsibility to explore and recommend alternative revenue sources for local units of government. The commission would also be asked to recommend mechanisms for distribution of such replacement revenue to taxing districts. The Governor has indicated his preference for local units of government to be given the authority to levy an additional one and one-half percent sales tax. State-wide, an additional one and one-half percent sales tax would generate approximately the same revenue as is cut from the property tax under this proposition.

Property taxes would be cut across the board, and reductions would be made at the taxing district level. However, the citizens of Kansas would be vested with the ultimate authority to determine a taxing district's tax mix. Some areas may wish to retain the status quo, and the local option portion of this proposal allows them to do so. While the amendment would be self-executing, the people could vote to opt out.

We believe this proposal is straight forward and understandable. When the question is on the ballot, the voters will know what they're voting for. It's mission is to reduce our state's reliance on the property tax.

I would be happy to respond to any questions which you may have.

	1989 ACTUAL ASSESSED VALUE AND TAX DOLLARS						OPTION A 20% ROLL BACK OF 1989 TAXES	STATEWIDE#
	CONSTITUTIONAL ASSESSMENT RATES							
	1989 ACTUAL FAIR MARKET VALUE	% OF TOTAL	1989 ACTUAL ASSESSED VALUATION	% OF TOTAL	1989 TAX DOLLARS	% OF TOTAL		
REAL ESTATE							**	
RESIDENTIAL	39,656,970,717	52.29%	4,758,836,486	33.74%	586,311,491	37.31%		469,049,193
VACANT LOTS	1,334,385,242	1.76%	160,126,229	1.14%	19,146,663	1.22%		15,317,330
OTHER COMMERCIAL	10,806,779,023	14.25%	3,242,033,707	22.98%	402,585,186	25.62%		322,068,149
AGRICULTURAL	4,965,796,800	6.55%	1,489,739,040	10.56%	155,159,218	9.87%		124,127,374
TOTAL REAL ESTATE	56,763,931,782	74.85%	9,650,735,462	68.42%	1,163,202,558	74.02%		930,562,046
URBAN PERS PROPERTY	3,026,907,413	3.99%	634,707,774	4.50%	82,765,717	5.27%		66,212,574
RURAL PERS PROPERTY	5,449,033,068	7.19%	1,500,988,250	10.64%	116,035,043	7.38%		92,828,035
TOTAL PERS PROPERTY	8,475,940,482	11.18%	2,135,696,024	15.14%	198,800,761	12.65%		159,040,609
URBAN PUBLIC UTILITY CORP	1,787,521,820	2.36%	536,256,546	3.80%	69,918,186	4.45%		55,934,549
RURAL PUBLIC UTILITY CORP	5,941,947,187	7.83%	1,782,584,156	12.64%	139,567,147	8.88%		111,653,718
TOTAL PUB UTIL PROPERTY	7,729,469,007	10.19%	2,318,840,702	16.44%	209,485,333	13.33%		167,588,266
EXEMPT PROPERTY								
MERCHANTS INVENTORIES	1,482,685,073	1.96%	0.00	0.00%	0	0.00%		0
MANUFACTURERS INVENTORIES	981,056,116	1.29%	0.00	0.00%	0	0.00%		0
LIVESTOCK	405,426,853	0.53%	0.00	0.00%	0	0.00%		0
TOTAL EXEMPT	2,869,168,043	3.78%	0	0.00%	0	0.00%		0
TOTALS COUNTY WIDE	75,838,509,313	100.00%	14,105,272,188	100.00%	1,571,488,652	100.00%		1,257,190,921

Value * Contains estimates from Butler, Cheyenne, Gove and Hodgeman Counties
Values are as of the November 1, 1989 county abstracts

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Kansas Department of Reven
State and Local Tax Revenue as a Percent of Total
Fiscal Year 1987

Ranked by Greatest Dependence on Income Taxes

Rank	State	Property Taxes	Sales Taxes	Income Taxes	Other Taxes	Total Taxes
1	Delaware	13.8%	0.0%	42.9%	43.4%	100.0%
2	Massachusetts	30.4%	15.1%	42.0%	12.4%	100.0%
3	Maryland	24.4%	15.1%	39.8%	20.8%	100.0%
4	New York	28.8%	19.2%	37.6%	14.4%	100.0%
5	Oregon	44.4%	0.0%	36.4%	19.2%	100.0%
6	North Carolina	21.4%	23.8%	35.8%	19.0%	100.0%
7	California	25.7%	25.7%	35.0%	13.6%	100.0%
8	Minnesota	30.1%	18.3%	33.8%	17.8%	100.0%
9	Michigan	37.7%	17.3%	31.9%	13.1%	100.0%
10	Kentucky	16.9%	19.8%	31.8%	31.5%	100.0%
11	Ohio	27.4%	23.4%	31.7%	17.5%	100.0%
12	Wisconsin	34.5%	19.2%	31.4%	14.9%	100.0%
13	Georgia	25.3%	28.0%	30.4%	16.3%	100.0%
14	Virginia	27.7%	16.2%	30.3%	25.8%	100.0%
15	Hawaii	16.4%	38.6%	29.3%	15.8%	100.0%
16	Pennsylvania	26.5%	19.2%	28.8%	25.4%	100.0%
17	South Carolina	23.3%	27.8%	28.4%	20.4%	100.0%
18	Idaho	28.4%	25.3%	26.6%	19.7%	100.0%
19	Rhode Island	38.0%	20.7%	26.3%	15.0%	100.0%
20	Arkansas	19.0%	31.4%	26.3%	23.4%	100.0%
21	Missouri	21.8%	33.7%	26.0%	18.5%	100.0%
22	Utah	28.9%	29.9%	25.9%	15.2%	100.0%
23	Maine	32.9%	22.9%	25.7%	18.5%	100.0%
24	Iowa	37.8%	19.1%	25.5%	17.6%	100.0%
25	Indiana	31.9%	31.2%	25.2%	11.6%	100.0%
26	Alabama	11.4%	30.2%	24.7%	33.7%	100.0%
27	West Virginia	17.5%	33.9%	24.5%	24.1%	100.0%
28	New Jersey	40.3%	18.1%	22.9%	18.7%	100.0%
29	Vermont	39.5%	12.3%	22.4%	25.9%	100.0%
30	Colorado	35.7%	26.7%	21.9%	15.7%	100.0%
31	Montana	48.3%	0.0%	20.7%	31.0%	100.0%
32	Illinois	34.5%	24.2%	20.7%	20.6%	100.0%
33	Kansas	37.4%	24.6%	20.7%	17.4%	100.0%
34	Oklahoma	20.1%	26.3%	19.1%	34.4%	100.0%
35	Nebraska	43.6%	19.7%	18.4%	18.4%	100.0%
36	Arizona	29.3%	34.8%	17.8%	18.1%	100.0%
37	New Mexico	11.7%	41.7%	17.4%	29.2%	100.0%
38	Connecticut	38.0%	25.6%	16.1%	20.3%	100.0%
39	Mississippi	23.7%	39.1%	16.1%	21.1%	100.0%
40	North Dakota	31.7%	23.4%	13.3%	31.7%	100.0%
41	Louisiana	16.1%	39.6%	11.5%	32.8%	100.0%
42	New Hampshire	62.0%	0.0%	10.9%	27.0%	100.0%
43	Alaska	37.6%	3.3%	8.5%	50.6%	100.0%
44	Tennessee	21.5%	45.9%	6.5%	26.1%	100.0%
45	Florida	33.2%	33.6%	3.6%	29.6%	100.0%
46	South Dakota	41.5%	31.3%	2.9%	24.3%	100.0%
47	Washington	28.5%	48.1%	0.0%	23.4%	100.0%
48	Nevada	22.2%	34.2%	0.0%	43.6%	100.0%
49	Texas	41.3%	25.7%	0.0%	33.0%	100.0%
50	Wyoming	48.3%	17.0%	0.0%	34.7%	100.0%

Kansas Department of Revenue
State and Local Tax Revenue as a Percent of Total
Fiscal Year 1987

Ranked by Greatest Dependence on Other Taxes

Rank	State	Property Taxes	Sales Taxes	Income Taxes	Other Taxes	Total Taxes
1	Alaska	37.6%	3.3%	8.5%	50.6%	100.0%
2	Nevada	22.2%	34.2%	0.0%	43.6%	100.0%
3	Delaware	13.8%	0.0%	42.9%	43.4%	100.0%
4	Wyoming	48.3%	17.0%	0.0%	34.7%	100.0%
5	Oklahoma	20.1%	26.3%	19.1%	34.4%	100.0%
6	Alabama	11.4%	30.2%	24.7%	33.7%	100.0%
7	Texas	41.3%	25.7%	0.0%	33.0%	100.0%
8	Louisiana	16.1%	39.6%	11.5%	32.8%	100.0%
9	North Dakota	31.7%	23.4%	13.3%	31.7%	100.0%
10	Kentucky	16.9%	19.8%	31.8%	31.5%	100.0%
11	Montana	48.3%	0.0%	20.7%	31.0%	100.0%
12	Florida	33.2%	33.6%	3.6%	29.6%	100.0%
13	New Mexico	11.7%	41.7%	17.4%	29.2%	100.0%
14	New Hampshire	62.0%	0.0%	10.9%	27.0%	100.0%
15	Tennessee	21.5%	45.9%	6.5%	26.1%	100.0%
16	Vermont	39.5%	12.3%	22.4%	25.9%	100.0%
17	Virginia	27.7%	16.2%	30.3%	25.8%	100.0%
18	Pennsylvania	26.5%	19.2%	28.8%	25.4%	100.0%
19	South Dakota	41.5%	31.3%	2.9%	24.3%	100.0%
20	West Virginia	17.5%	33.9%	24.5%	24.1%	100.0%
21	Washington	28.5%	48.1%	0.0%	23.4%	100.0%
22	Arkansas	19.0%	31.4%	26.3%	23.4%	100.0%
23	Mississippi	23.7%	39.1%	16.1%	21.1%	100.0%
24	Maryland	24.4%	15.1%	39.8%	20.8%	100.0%
25	Illinois	34.5%	24.2%	20.7%	20.6%	100.0%
26	South Carolina	23.3%	27.8%	28.4%	20.4%	100.0%
27	Connecticut	38.0%	25.6%	16.1%	20.3%	100.0%
28	Idaho	28.4%	25.3%	26.6%	19.7%	100.0%
29	Oregon	44.4%	0.0%	36.4%	19.2%	100.0%
30	North Carolina	21.4%	23.8%	35.8%	19.0%	100.0%
31	New Jersey	40.3%	18.1%	22.9%	18.7%	100.0%
32	Maine	32.9%	22.9%	25.7%	18.5%	100.0%
33	Missouri	21.8%	33.7%	26.0%	18.5%	100.0%
34	Nebraska	43.6%	19.7%	18.4%	18.4%	100.0%
35	Arizona	29.3%	34.8%	17.8%	18.1%	100.0%
36	Minnesota	30.1%	18.3%	33.8%	17.8%	100.0%
37	Iowa	37.8%	19.1%	25.5%	17.6%	100.0%
38	Ohio	27.4%	23.4%	31.7%	17.5%	100.0%
39	Kansas	37.4%	24.6%	20.7%	17.4%	100.0%
40	Georgia	25.3%	28.0%	30.4%	16.3%	100.0%
41	Hawaii	16.4%	38.6%	29.3%	15.8%	100.0%
42	Colorado	35.7%	26.7%	21.9%	15.7%	100.0%
43	Utah	28.9%	29.9%	25.9%	15.2%	100.0%
44	Rhode Island	38.0%	20.7%	26.3%	15.0%	100.0%
45	Wisconsin	34.5%	19.2%	31.4%	14.9%	100.0%
46	New York	28.8%	19.2%	37.6%	14.4%	100.0%
47	California	25.7%	25.7%	35.0%	13.6%	100.0%
48	Michigan	37.7%	17.3%	31.9%	13.1%	100.0%
49	Massachusetts	30.4%	15.1%	42.0%	12.4%	100.0%
50	Indiana	31.9%	31.2%	25.2%	11.6%	100.0%

Kansas Department of Revenue
State and Local Tax Revenue as a Percentage of Total
Fiscal Year 1987

Ranked by Greatest Dependence on Property Taxes

Rank	State	Property Taxes	Sales Taxes	Income Taxes	Other Taxes	Total Taxes
1	New Hampshire	62.0%	0.0%	10.9%	27.0%	100.0%
2	Wyoming	48.3%	17.0%	0.0%	34.7%	100.0%
3	Montana	48.3%	0.0%	20.7%	31.0%	100.0%
4	Oregon	44.4%	0.0%	36.4%	19.2%	100.0%
5	Nebraska	43.6%	19.7%	18.4%	18.4%	100.0%
6	South Dakota	41.5%	31.3%	2.9%	24.3%	100.0%
7	Texas	41.3%	25.7%	0.0%	33.0%	100.0%
8	New Jersey	40.3%	18.1%	22.9%	18.7%	100.0%
9	Vermont	39.5%	12.3%	22.4%	25.9%	100.0%
10	Connecticut	38.0%	25.6%	16.1%	20.3%	100.0%
11	Rhode Island	38.0%	20.7%	26.3%	15.0%	100.0%
12	Iowa	37.8%	19.1%	25.5%	17.6%	100.0%
13	Michigan	37.7%	17.3%	31.9%	13.1%	100.0%
14	Alaska	37.6%	3.3%	8.5%	50.6%	100.0%
15	Kansas	37.4%	24.6%	20.7%	17.4%	100.0%
16	Colorado	35.7%	26.7%	21.9%	15.7%	100.0%
17	Illinois	34.5%	24.2%	20.7%	20.6%	100.0%
18	Wisconsin	34.5%	19.2%	31.4%	14.9%	100.0%
19	Florida	33.2%	33.6%	3.6%	29.6%	100.0%
20	Maine	32.9%	22.9%	25.7%	18.5%	100.0%
21	Indiana	31.9%	31.2%	25.2%	11.6%	100.0%
22	North Dakota	31.7%	23.4%	13.3%	31.7%	100.0%
23	Massachusetts	30.4%	15.1%	42.0%	12.4%	100.0%
24	Minnesota	30.1%	18.3%	33.8%	17.8%	100.0%
25	Arizona	29.3%	34.8%	17.8%	18.1%	100.0%
26	Utah	28.9%	29.9%	25.9%	15.2%	100.0%
27	New York	28.8%	19.2%	37.6%	14.4%	100.0%
28	Washington	28.5%	48.1%	0.0%	23.4%	100.0%
29	Idaho	28.4%	25.3%	26.6%	19.7%	100.0%
30	Virginia	27.7%	16.2%	30.3%	25.8%	100.0%
31	Ohio	27.4%	23.4%	31.7%	17.5%	100.0%
32	Pennsylvania	26.5%	19.2%	28.8%	25.4%	100.0%
33	California	25.7%	25.7%	35.0%	13.6%	100.0%
34	Georgia	25.3%	28.0%	30.4%	16.3%	100.0%
35	Maryland	24.4%	15.1%	39.8%	20.8%	100.0%
36	Mississippi	23.7%	39.1%	16.1%	21.1%	100.0%
37	South Carolina	23.3%	27.8%	28.4%	20.4%	100.0%
38	Nevada	22.2%	34.2%	0.0%	43.6%	100.0%
39	Missouri	21.8%	33.7%	26.0%	18.5%	100.0%
40	Tennessee	21.5%	45.9%	6.5%	26.1%	100.0%
41	North Carolina	21.4%	23.8%	35.8%	19.0%	100.0%
42	Oklahoma	20.1%	26.3%	19.1%	34.4%	100.0%
43	Arkansas	19.0%	31.4%	26.3%	23.4%	100.0%
44	West Virginia	17.5%	33.9%	24.5%	24.1%	100.0%
45	Kentucky	16.9%	19.8%	31.8%	31.5%	100.0%
46	Hawaii	16.4%	38.6%	29.3%	15.8%	100.0%
47	Louisiana	16.1%	39.6%	11.5%	32.8%	100.0%
48	Delaware	13.8%	0.0%	42.9%	43.4%	100.0%
49	New Mexico	11.7%	41.7%	17.4%	29.2%	100.0%
50	Alabama	11.4%	30.2%	24.7%	33.7%	100.0%

Kansas Department of Revenue
State and Local Tax Revenue as a Percent of Total
Fiscal Year 1987

Ranked by Greatest Dependence on Sales Taxes

Rank	State	Property Taxes	Sales Taxes	Income Taxes	Other Taxes	Total Taxes
1	Washington	28.5%	48.1%	0.0%	23.4%	100.0%
2	Tennessee	21.5%	45.9%	6.5%	26.1%	100.0%
3	New Mexico	11.7%	41.7%	17.4%	29.2%	100.0%
4	Louisiana	16.1%	39.6%	11.5%	32.8%	100.0%
5	Mississippi	23.7%	39.1%	16.1%	21.1%	100.0%
6	Hawaii	16.4%	38.6%	29.3%	15.8%	100.0%
7	Arizona	29.3%	34.8%	17.8%	18.1%	100.0%
8	Nevada	22.2%	34.2%	0.0%	43.6%	100.0%
9	West Virginia	17.5%	33.9%	24.5%	24.1%	100.0%
10	Missouri	21.8%	33.7%	26.0%	18.5%	100.0%
11	Florida	33.2%	33.6%	3.6%	29.6%	100.0%
12	Arkansas	19.0%	31.4%	26.3%	23.4%	100.0%
13	South Dakota	41.5%	31.3%	2.9%	24.3%	100.0%
14	Indiana	31.9%	31.2%	25.2%	11.6%	100.0%
15	Alabama	11.4%	30.2%	24.7%	33.7%	100.0%
16	Utah	28.9%	29.9%	25.9%	15.2%	100.0%
17	Georgia	25.3%	28.0%	30.4%	16.3%	100.0%
18	South Carolina	23.3%	27.8%	28.4%	20.4%	100.0%
19	Colorado	35.7%	26.7%	21.9%	15.7%	100.0%
20	Oklahoma	20.1%	26.3%	19.1%	34.4%	100.0%
21	California	25.7%	25.7%	35.0%	13.6%	100.0%
22	Texas	41.3%	25.7%	0.0%	33.0%	100.0%
23	Connecticut	38.0%	25.6%	16.1%	20.3%	100.0%
24	Idaho	28.4%	25.3%	26.6%	19.7%	100.0%
25	Kansas	37.4%	24.6%	20.7%	17.4%	100.0%
26	Illinois	34.5%	24.2%	20.7%	20.6%	100.0%
27	North Carolina	21.4%	23.8%	35.8%	19.0%	100.0%
28	Ohio	27.4%	23.4%	31.7%	17.5%	100.0%
29	North Dakota	31.7%	23.4%	13.3%	31.7%	100.0%
30	Maine	32.9%	22.9%	25.7%	18.5%	100.0%
31	Rhode Island	38.0%	20.7%	26.3%	15.0%	100.0%
32	Kentucky	16.9%	19.8%	31.8%	31.5%	100.0%
33	Nebraska	43.6%	19.7%	18.4%	18.4%	100.0%
34	Pennsylvania	26.5%	19.2%	28.8%	25.4%	100.0%
35	Wisconsin	34.5%	19.2%	31.4%	14.9%	100.0%
36	New York	28.8%	19.2%	37.6%	14.4%	100.0%
37	Iowa	37.8%	19.1%	25.5%	17.6%	100.0%
38	Minnesota	30.1%	18.3%	33.8%	17.8%	100.0%
39	New Jersey	40.3%	18.1%	22.9%	18.7%	100.0%
40	Michigan	37.7%	17.3%	31.9%	13.1%	100.0%
41	Wyoming	48.3%	17.0%	0.0%	34.7%	100.0%
42	Virginia	27.7%	16.2%	30.3%	25.8%	100.0%
43	Massachusetts	30.4%	15.1%	42.0%	12.4%	100.0%
44	Maryland	24.4%	15.1%	39.8%	20.8%	100.0%
45	Vermont	39.5%	12.3%	22.4%	25.9%	100.0%
46	Alaska	37.6%	3.3%	8.5%	50.6%	100.0%
47	New Hampshire	62.0%	0.0%	10.9%	27.0%	100.0%
48	Montana	48.3%	0.0%	20.7%	31.0%	100.0%
49	Oregon	44.4%	0.0%	36.4%	19.2%	100.0%
50	Delaware	13.8%	0.0%	42.9%	43.4%	100.0%

JONATHAN P. SMALL, CHARTERED

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PROPOSED SENATE BILL _____ 1990

I. Provisions of Bill:

- A. A \$3.00 per machine annual license fee on all machines except amusement and machine coin-operated machines;
- B. A \$50.00 per machine annual license fee for amusement and music machines - in lieu of state sales tax;
- C. Sales tax of 4.25% upon 135% of operator's net invoice cost of goods/services sold for all machines except music and amusement;
- D. Local sales tax: remain in place upon 135% of operator's net invoice cost, 20% of music and amusement license fee.

II. Benefits:

- A. Decreased administrative costs for Dept. of Revenue;
- B. Enhances state enforcement capability without increased cost to state;
- C. Tax would keep pace with inflation;
- D. Efficient and timely auditing capability for Dept. of Revenue;
- E. Potential long-term gain to state treasury;
- F. Afford vending machine industry opportunity to compete fairly and equally in the market place.

III. Differences from Previous Bill (HB 2533):

- A. Substantial change to sales tax method of computation for vending machines;
- B. Local sales tax on vending machines keeps proportionate pace with state tax.

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