

Approved April 13, 1991
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Joan Wagnon
Chairperson

9:10 a.m. ~~p.m.~~ on Tuesday, March 19, 1991 in room 519-S of the Capitol

All members were present except:

Committee staff present:

Tom Severn & Chris Courtwright, Legislative Research;
Don Hayward & Bill Edds, Revisors;
Linda Frey, Committee Secretary & Douglas E. Johnston, aide

Conferees appearing before the committee:

Chairman Wagnon called the committee to order at 9:10 a.m. for continued discussion on HB 2113.

Rep. Pottorff made a motion to create a new exemption for nonprofit clinical medical research institutes. Rep. Harder seconded the motion which carried.

Rep. Larkin moved to maintain the following exemptions by eliminating them from HB 2113:
(3606 X) residential use of gas, electricity and water;
(3606 Y) residential use of propane and L-P;
(3606 Z) residential use of intrusted telephone.
Rep. Adam seconded the motion.

The Chair stated in reply to a question that if the motion carried it would eliminate the need for HB 2112 which was designed to assist low-income residential utility rate payers hurt by the elimination of the three exemptions from current law.

The motion carried.

Rep. Wiard made a motion to maintain the exemption for coin-operated laundry (3606 f). Rep. Charlton seconded the motion.

Rep. Wiard stated that the elimination of the exemption would unfairly tax necessary services most often used by low-income people.

The motion failed on division, with 10 for and 11 against.

Rep. Lowther moved to maintain the exemption for educational materials purchased by nonprofit corporations (3606 nn). Rep. Pottorff seconded the motion which carried.

Rep. Glasscock made a motion to maintain the exemption for participation in recreation sponsored by a political subdivision of the state (3603 e). Rep. Wiard seconded the motion which failed.

Rep. Snowbarger moved to maintain the exemption for machinery and equipment in Enterprise Zones (3606 ee). Rep. Reardon seconded the motion.

The Chair stated that at the previous meeting HB 2113 was amended so that the exemption for machinery and equipment was eliminated. Rep. Snowbarger's motion would keep the exemption

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

room 519-S Statehouse, at 9:10 a.m./~~p.m.~~ on Tuesday, March 19, 199

in Enterprise Zones only. The fiscal note for the exemption would drop from \$42.5 million to approx. \$20 million annually.

It was stated that if the motion did not pass then the effectiveness of Enterprise Zones would decrease.

The motion failed.

Rep. Larkin moved to change the isolated sales exemption so that occasional sales of \$1,000 or greater of planes, boats, etc. are taxable. Rep. Grotewiel seconded the motion.

In reply to a question, Steve Stotts, Director of Taxation for the Dept. of Revenue, stated that the isolated sales exemption in HB 2113 was written so that small occasional sales such as garage sales or auctions of limited duration would remain exempt.

Rep. Larkin said that his motion would make purchasers in these occasional sales responsible for paying the sales tax.

Committee members expressed concern that the change would result in large administrative problems. Stotts said collection of the sales tax might be achieved by tracking sales from newly registered items such as boats and planes.

Rep. Larkin withdrew his original motion, with the consent of the second, and resubmitted it with the following language from HB 2113:

(t) all sales of used household or personal articles occurring not more than once in a twelve-month period by an individual or group of individuals who are not regularly engaged in the business of making retail sales, including a garage sale, lawn sale, year sale, attic sale, rummage sale or any similar casual nonrecurring sale of tangible personal property; and

(u) all sales of tangible personal property made by an auctioneer or agent on behalf of a single principal or household if such sale is nonrecurring and the principal or household is not engaged at the time of such sale in the business of selling tangible personal property.

Rep. Grotewiel seconded the motion.

The Chair explained that the motion would repeal the isolated sales exemption, but continue an exemption for those sales mentioned in the amendment, not including auction houses. This would enable the Dept. of Revenue to seek out isolated taxable sales.

The motion carried.

Rep. Smith moved to maintain the exemption for the Ground Water Management Districts (3606 t). Rep. Grotewiel seconded the motion which carried.

There was a question regarding the IRB exemption and whether or not a contractual agreement would, in effect, be broken by the elimination of the exemption.

The committee recessed at 9:55 a.m. and reconvened at 5:15 p.m.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

room 519-S, Statehouse, at 9:10 a.m./~~p.m.~~ on Tuesday, March 19, 1991

to resume discussion and action on bills previously heard.

A memorandum from the Dept. of Revenue regarding action taken on HB 2113 was circulated to the committee (attachment 1).

Rep. Wiard moved to report HB 2122, regarding an income tax deadline extension for certain military personnel, favorably for passage. Rep. Glasscock seconded the motion. The motion carried.

The Chair opened discussion on HB 2031, a bill exempting military retirement from state income tax.

Rep. Larkin made a motion to amend HB 2031 by increasing the individual income tax rates and adding an additional bracket as shown in Simulation 42 (attachment 2). Rep. Reardon seconded the motion.

Steve Stotts, Director of Taxation for the Dept. of Revenue stated that Simulation 42 had a fiscal note of \$109 million and that conformity with the standard deduction and personal exemption was included for 1991.

In response to a question, the Chair explained that prospective conformity meant that the Kansas personal exemption and Kansas standard deduction amounts would change each year to stay the same as the federal standard deduction and personal exemption amounts which are adjusted annually for inflation. This motion included conformity for the tax year 1991 only.

Rep. Crowell made a substitute motion to incorporate Rep. Larkin's provisions, but draft a substitute bill. Rep. Grotewiel seconded the motion which carried.

Rep. Roe made a motion to remove the optional federal deductibility provision from Sub. HB 2031. Rep. Pottorff seconded the motion.

It was stated this provision was used by a small number of people and that most of them were in the lower income tax brackets.

Stotts stated in reply to a question that the fiscal note for the motion would be about \$1.6 million.

Rep. Reardon opposed the motion because of the negative impact the removal of the exemption would have on lower income taxpayers who currently utilize the exemption.

Rep. Roy made a substitute motion to include prospective conformity with the personal exemption and standard deduction for all future years. Rep. Wiard seconded the motion.

The Chair explained that the effect of the motion would be to reduce tax collections in future years but protect against the negative impact of inflation on the lower income tax brackets.

Rep. Roy stated that the motion would add progressivity to the income tax system and simplify income tax forms.

The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

room 519-S, Statehouse, at 9:10 a.m./~~p.m.~~ on Tuesday, March 19, 1991

Rep. Lowther moved to amend Sub. HB 2031 by adding language that would indicate the intention to utilize the funds raised by Sub. HB 2031, in its first year of enactment, for property tax relief. Rep. Smith seconded the motion.

The motion carried.

Rep. Larkin made a motion to amend Sub. HB 2031 by including changes in the corporate income tax and privilege tax on savings and loans and financial institutions as described in the three handouts prepared by the Dept. of Revenue (attachment 3). Rep. Adam seconded the motion.

Rep. Larkin stated that his motion would lower taxes on smaller corporations by lowering the lease rate and increasing the surcharge threshold to \$50,000.

Stotts said in reply to a question that the proposed rate changes for banks and savings & loans would be about a 25% increase, but the rate would be the same for banks and other corporations.

Some committee members were concerned that the proposal would have a negative impact on economic development and that the changes would put Kansas on a different level of business taxation with the surrounding states. There was some discussion about the corporate income tax rates and changes being proposed in Missouri.

The motion carried.

Rep. Larkin moved to report Sub. HB 2031 favorably for passage. Rep. Adam seconded the motion which carried.

The Chair requested and received unanimous consent for approval of minutes from March 4 through 7 and February 18 and 21.

Rep. Krehbiel moved to introduce a bill providing a tax exemption for low producing oil and gas wells if their taxes exceeded 50% of income. Rep. Pottorff seconded the motion which carried.

Rep. Roy moved to introduce a bill imposing an excise tax on luxury items at half the rate of the federal luxury tax and conforming to its provisions. Rep. Wiard seconded the motion. The motion carried.

The committee adjourned at 6:43 p.m.

GUEST LIST

9:00 A.M.

COMMITTEE: *Delegation*

DATE: 3/19/91

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
<i>Bob Storey</i>	<i>Topeka</i>	<i>DeHart & Darr</i>
<i>SUSAN SOMERS</i>	<i>Topeka</i>	<i>KSEPA</i>
<i>Shelley SUTTON</i>	<i>Topeka</i>	<i>Ks. Engineering Society</i>
<i>Laudy ARON</i>	<i>"</i>	<i>Amer Inst of ARCHITECTS</i>
<i>KAREN FRANCE</i>	<i>TOPEKA</i>	<i>KAR</i>
<i>BEVERLY BRADLEY</i>	<i>TOPEKA</i>	<i>KS Assoc of COUNTIES</i>
<i>Leroy Jones</i>	<i>Lenexa</i>	<i>B. L. E.</i>
<i>Art Brown</i>	<i>KCMO</i>	<i>ICS USA Dealer</i>
<i>Jacque Dates</i>	<i>Topeka</i>	<i>Ks. Ind. Auto Dealers Ass.</i>
<i>Barbara Butts</i>	<i>Topeka</i>	<i>Dept of Admin</i>
<i>Kaylee Kersey</i>	<i>Johnson KS</i>	<i>observer</i>
<i>K. Ellen Kersey</i>	<i>"</i>	<i>"</i>
<i>Landan Kersey</i>	<i>"</i>	<i>"</i>
<i>DENNY KOCH</i>	<i>TOPEKA</i>	<i>SW Bell</i>
<i>Kim Capps</i>	<i>Topeka</i>	<i>KWEA</i>
<i>Maurice Weiss</i>	<i>Topeka</i>	<i>Arthur Andersen Boye</i>
<i>Mary Tallma</i>	<i>Topeka</i>	<i>KTSB</i>
<i>Chasen</i>	<i>"</i>	<i>KCPA</i>
<i>LAURA KELLY</i>	<i>TOPEKA</i>	<i>KRPA</i>
<i>Mary Ellen Simon</i>	<i>Topeka</i>	<i>Ks. Hg. of Women Voters</i>
<i>MAX A. BURGHART</i>	<i>TOPEKA</i>	<i>REVENUE</i>
<i>Steve Stotts</i>	<i>"</i>	<i>"</i>
<i>Paula May</i>	<i>Topeka</i>	<i>AT & T</i>
<i>John Lettshann</i>	<i>Topeka</i>	<i>Foulston & Siefkin</i>

GUEST LIST

COMMITTEE: _____

Separation

DATE: _____

9:00 A.M.

3/19/91

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
HAROLD PITIS	Topeka	AARP-CCTF
Dan Haas	Overland Park	KCPK
George Goebel	Topeka	AARP-SIC-CCTF Chr.
Norm Kumpke	Topeka	KMHA
G. Cliff Gail	Dallas Tx	ARCO Pipeline -
Henry J. Cooper	Topeka	Org. of Military Retirees
J. L. McBride	Topeka	observed
PATRICK J. HURLEY	TOPEKA	CESSNA
Alan STEPPAT	Topeka	Pete McGill & Associates
George Barber	Topeka	Ks Consulting Engrs-ENRON
Jim Ludwig	Topeka	KPL GAS SERVICE
TREVA POTTER	"	PEOPLES NAT. GAS
Lucky Detries	"	Martin Tractor, Colgate, Kan. Apt. Leg. Comm.
FRANCES KASTNER	"	Ks Food Dealers Assn
John Mante	Meade	Close-up Ks
Ed Cropp	Topeka	PCG, Inc
Bernie Samson	Wesport	Self
Clay Beckman	Meade	Close-up Ks
Andy Gamble	Meade	Close-up Kansas 1991
David Enns	Meade	Close-up Ks
Ray Hunt	Meade	Close-up Ks
Tom Whitaker	Topeka	Ks Motor Carriers Assn
Paul E. Fleener	Manhattan	Ks. Farm Bureau
John Carter	Dynex	Beck Hillcutt
Jim May	"	KBA

GUEST LIST

COMMITTEE: _____

Separation

DATE: _____

5:15 p.m.

3/19/91

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
<i>John ...</i>	<i>Topeka</i>	<i>OK General</i>
<i>Edith B. McBride</i>	"	"
<i>R ANDERSON</i>	<i>OTTAWA</i>	<i>MSID CORP OF IA</i>
<i>FRANCES KASTNER</i>	<i>Topeka</i>	<i>Ks Food Dealers Assn</i>
<i>PATRICK J. HURLEY</i>	<i>Topeka</i>	<i>CESSNA</i>
<i>George Barber</i>	<i>Topeka</i>	<i>Ks Consulting Engrs</i>
<i>Mark Tallan</i>	<i>Topeka</i>	<i>KASIB</i>
<i>Ray Cole</i>	<i>Topeka</i>	<i>KNEA</i>
<i>Tam Whitaker</i>	<i>Topeka</i>	<i>Ks Motor Carriers Assn.</i>
<i>Mary E. Turkinston</i>	<i>Topeka</i>	<i>Kansas Motor Carriers Assn -</i>
<i>A C Gill</i>	<i>Dallas TX</i>	<i>ARCO Oil & Gas Co.</i>
<i>Christy Young</i>	<i>Topeka</i>	<i>Topeka Chamber of Comm</i>
<i>Exp. ...</i>	<i>Topeka</i>	<i>Leg</i>
<i>Michelle Lister</i>	<i>Topeka</i>	<i>John Kotersow & Associates</i>
<i>Rich McFee</i>	"	<i>KCA</i>
<i>Belm Luttjohann</i>	<i>Topeka</i>	<i>Foulston & Siefkin</i>
<i>Don Rezac</i>	<i>Emmett</i>	<i>Leg.</i>
<i>ROBERT WELSHMIR</i>	<i>WICHITA</i>	<i>Rep Kevin Welsh</i>
<i>Pat Higgins</i>	<i>Topeka</i>	<i>Gov. Office</i>
<i>ART BROWN</i>	<i>KC-mo</i>	<i>KSBOR Dealer</i>
<i>Julie Horn</i>	<i>Topeka</i>	<i>Horn & Ebert</i>
<i>Catherine Holdeman</i>	<i>Wichita</i>	<i>City of Wichita</i>
<i>Anne Smith</i>	<i>Topeka</i>	<i>Ks. Assoc of Cambes</i>
<i>Harriet Lange</i>	<i>Topeka</i>	<i>Ks Assn Broadcasters</i>

Sub-Committee II
Sales Tax Exemptions Recommended for Consideration by the Full Committee

Sales Tax Exemptions - Fiscal Impacts
Fiscal Impacts are calculated at the current 4.25% rate
(Dollars are in Millions)

Current Status: As of 9 a.m. meeting on March 19, 1991

Sales Tax Exemptions -	Description	Annual Fiscal Impact	First Year Fiscal Impact
3603 b -	Interstate Telephone (Residential Use)	\$3.325	\$2.909
3603 e -	Participation in recreation sponsored by Pol. Sub.	\$1.000	\$0.667
3603 f -	Coin-OP Laundry	\$0.712	\$0.623
3603 g -	Hotel-Motel Rooms	\$0.898	\$0.786
3603 h -	Machinery IRB	\$0.092	\$0.000
3603 o -	Vehicles for Stock	\$0.155	\$0.116
3606 l -	Occasional Sales (Only planes, boats, etc. are taxable)	\$0.500	\$0.375
3606 p -	Trade fixtures and equipment already installed	\$1.042	\$0.782
3606 u -	"New" Farm Machinery	\$5.000	\$3.333
3606 v -	Lease or rental of mobile homes more than 28 days	\$1.077	\$0.808
3606 bb-	Port authority	\$0.000	\$0.000
3606 cc-	Repair of equipment used for the transmission of gas	\$0.270	\$0.203
3606 ee-	Enterprise Zones (Exclude Mach. & Equip.)	\$2.000	\$1.000
3606 gg-	Lottery Tickets	\$3.000	\$2.625
3606 kk-	Youth Devel. Programs	\$0.208	\$0.156
3606 mm-	Manf. Mach. & Equip.	\$42.500	\$31.875
3606 oo-	Seed & Trees	\$1.200	\$0.900
3606 rr-	Drill Bits (Explosives are exempt)	\$0.261	\$0.196
3606 tt-	Annual Events Non Profit Org.	\$0.100	\$0.075
	State Total	\$60.0	\$44.5
	Local Total	\$3.1	\$2.3

HOUSE TAXATION
Attachment #1
03/19/91

Sub-Committee II
Sales Tax Exemptions Recommended for Consideration by the Full Committee

Sales Tax Exemptions - Fiscal Impacts
Fiscal Impacts are calculated at the current 4.25% rate
(Dollars are in Millions)

Current Status: As of 9 a.m. meeting on March 19, 1991

Sales Tax Exemptions -	Description	Annual Fiscal Impact	First Year Fiscal Impact
Sales tax exemptions listed below are recommended to be left exempt.			
3602 m(B)	Electricity, gas, and water consumed in production	\$30.000	\$25.000
3603 b -	Interstate Telephone (Business Use)	\$9.975	\$8.728
3603 p -	Original Construction Services	\$68.800	\$57.333
3606 a -	Tangible personal property taxed by another Excise Tax	\$71.400	\$59.500
3606 f -	Property purchased by an interstate carrier	\$15.000	\$10.000
3606 g -	Sales, repair, or modification of aircraft used in interstate commerce	\$17.500	\$10.208
3606 h -	Textbooks	\$0.736	\$0.552
3606 i -	Lease or rental of films, record, or tapes	\$1.790	\$1.343
3606 j -	Free meals to restaurant employees	\$1.193	\$0.895
3606 k -	Sale of motor vehicles, trailers, or aircraft to a non-resident	\$15.000	\$10.000
3606 q -	Prescription drugs	\$17.600	\$15.400
3606 r -	Insulin	\$0.089	\$0.078
3606 s -	Prosthetic devises	\$5.000	\$4.375
3606 t -	Groundwater management districts	\$0.013	\$0.010
3606 u -	"Used" Farm Machinery	\$24.200	\$16.133
3606 w -	Food served to homebound elderly	\$0.564	\$0.423
3606 x -	Gas, Elec. Water - Res. Use	\$53.900	\$47.163
3606 y -	Propane - L-P - Res. Use	\$3.314	\$2.900
3606 z -	Intrastate Tel. - Res. Use	\$5.400	\$4.725
3606 aa-	Railroad rolling stock	\$5.200	\$3.900
3606 dd-	Used Mobile Homes	\$2.218	\$1.941
3606 ff -	USDA Food Stamps	\$5.500	\$4.125
3606 hh-	New Mobile Homes	\$0.836	\$0.732
3606 ii -	Federal WIC Program	\$0.787	\$0.590
3606 jj -	Medical services purchased by nursing homes	\$0.099	\$0.074
3606 ll -	Property sold, rented or leased by a mental retardation facility	\$0.053	\$0.040
3606 nn-	Educational materials purchased by a non-profit corporation	\$0.040	\$0.035
3606 rr-	Explosives used in oil and gas exploration and production	\$0.039	\$0.029
3606 ss-	Museums & Hist. Society	\$0.200	\$0.150
	State Total	\$356.2	\$286.2
	Local Total	\$64.8	\$51.6

Changes:

Prospective conformity to Federal Standard Deduction
Personal Exemption Amounts

Addition of a third bracket to the non-deductibility option

New tax brackets are listed on the left side of this report

With Federal Deductibility No Federal Deductibility

Proposed Tax Rates

Married:	\$0 - \$20	4.75%	\$0 - \$25	3.65%
	\$20 - \$35	6.50%	\$25 - \$50	5.25%
	\$35 - \$45	9.00%	\$50 - Over	7.00%
	\$45 - Over	12.00%		

Single:	\$0 - \$2	4.75%	\$0 - \$20	4.50%
	\$2 - \$10	6.25%	\$20 - \$30	5.00%
	\$10 - \$20	6.75%	\$30 - Over	8.00%
	\$20 - \$30	9.00%		
	\$30 - Over	12.00%		

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1991

Resident Taxpayers

Liability Dollars are in Millions

SIMULATION 0042

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.	5,835	0.0%	\$0.0	\$0.00	0.0%	4,728	0.0%	\$0.0	\$0.00	0.0%	10,563	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	12,374	0.0%	\$0.0	\$0.00	0.0%	113,179	-39.7%	(\$0.4)	(\$3.73)	0.2%	125,553	-39.7%	(\$0.4)	(\$3.36)	0.2%
\$5 \$15	59,155	-29.6%	(\$0.7)	(\$11.65)	0.2%	169,517	-9.8%	(\$2.9)	(\$17.09)	1.6%	228,672	-11.2%	(\$3.6)	(\$15.68)	1.2%
\$15 \$25	83,099	-9.8%	(\$2.5)	(\$30.31)	1.3%	96,881	-4.1%	(\$2.2)	(\$22.79)	2.6%	179,980	-6.0%	(\$4.7)	(\$26.26)	2.0%
\$25 \$35	79,577	-4.8%	(\$2.4)	(\$30.62)	1.9%	52,213	-0.7%	(\$0.4)	(\$6.86)	3.0%	131,791	-2.8%	(\$2.8)	(\$21.20)	2.4%
\$35 \$50	113,380	3.7%	\$4.2	\$37.01	2.4%	29,779	4.3%	\$1.9	\$62.89	3.6%	143,159	3.8%	\$6.1	\$42.40	2.6%
\$50 \$100	131,187	12.3%	\$30.9	\$235.35	3.1%	14,185	18.2%	\$6.5	\$456.17	4.5%	145,372	13.0%	\$37.3	\$256.90	3.2%
\$100 Over	22,334	35.5%	\$60.8	\$2,722.16	4.8%	2,213	36.0%	\$7.3	\$3,292.38	5.9%	24,547	35.5%	\$68.1	\$2,773.57	4.9%
Total	506,942	14.6%	\$90.2	\$177.98	3.0%	482,696	4.2%	\$9.7	\$20.19	2.9%	989,638	11.8%	\$100.0	\$101.02	3.0%

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

Fiscal Impact:		No Federal Deductibility	Federal Deductibility
All Taxpayers:	\$109.1	\$0 - \$5 94.3%	5.7%
Residents Only:	\$100.0	\$5 - \$15 78.9%	21.1%
		\$15 - \$25 97.7%	2.3%
Married Residents:	\$90.2	\$25 - \$35 99.3%	0.7%
Single Residents:	\$9.7	\$35 - \$50 99.6%	0.4%
		\$50 - \$100 99.7%	0.3%
Non-Residents:	\$9.1	\$100 - Over 99.7%	0.3%
		Total	94.0%
			6.0%

Current Law Tax Rates

	With Federal Deductibility	No Federal Deductibility
Married:	\$0 - \$20 4.75%	\$0 - \$35 3.65%
	\$20 - \$35 5.00%	\$35 - Over 5.15%
	\$35 - \$45 8.50%	
	\$45 - Over 8.75%	
Single:	\$0 - \$2 4.75%	\$0 - \$27.5 4.50%
	\$2 - \$10 5.60%	\$27.5 - Over 5.95%
	\$10 - \$20 5.75%	
	\$20 - \$30 8.50%	
	\$30 - Over 8.75%	

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1991
Resident Taxpayers
Current Law

Married						Single					Total Residents				
K.A.G.I. Bracket	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate
No K.A.G.I.	5,835	0.0%	\$0.00	0.0%	0.0%	4,728	0.0%	\$0.00	0.0%	0.0%	10,563	0.0%	\$0.00	0.0%	0.0%
\$0 \$5	12,374	0.2%	\$0.00	0.0%	0.0%	113,179	3.8%	\$1.06	0.1%	0.3%	125,553	1.1%	\$1.06	0.1%	0.3%
\$5 \$15	59,155	2.8%	\$2.33	0.3%	0.4%	169,517	20.6%	\$29.56	3.5%	1.7%	228,672	7.3%	\$31.89	3.8%	1.4%
\$15 \$25	83,099	7.4%	\$25.67	3.0%	1.5%	96,881	23.9%	\$53.62	6.3%	2.7%	179,980	11.6%	\$79.30	9.3%	2.1%
\$25 \$35	79,577	10.5%	\$50.66	6.0%	2.0%	52,213	19.5%	\$49.12	5.8%	3.0%	131,791	12.8%	\$99.78	11.8%	2.4%
\$35 \$50	113,380	21.0%	\$114.72	13.5%	2.3%	29,779	15.4%	\$43.47	5.1%	3.4%	143,159	19.5%	\$158.19	18.6%	2.5%
\$50 \$100	131,187	38.1%	\$251.33	29.6%	2.8%	14,185	11.2%	\$35.51	4.2%	3.8%	145,372	31.2%	\$286.85	33.8%	2.9%
\$100 Over	22,334	20.2%	\$171.49	20.2%	3.6%	2,213	5.6%	\$20.26	2.4%	4.4%	24,547	16.4%	\$191.75	22.6%	3.6%
Total	506,942	100.00%	\$616.21	72.6%	2.6%	482,696	100.00%	\$232.60	27.4%	2.8%	989,638	100.00%	\$848.81	100.00%	2.6%

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1991
Resident Taxpayers

SIMULATION 0042

Married						Single					Total Residents				
K.A.G.I. Bracket	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate
No K.A.G.I.	5,835	0.0%	\$0.00	0.0%	0.0%	4,728	0.0%	\$0.00	0.0%	0.0%	10,563	0.0%	\$0.00	0.0%	0.0%
\$0 \$5	12,374	0.2%	\$0.00	0.0%	0.0%	113,179	3.8%	\$0.64	0.1%	0.2%	125,553	1.1%	\$0.64	0.1%	0.2%
\$5 \$15	59,155	2.8%	\$1.64	0.2%	0.2%	169,517	20.6%	\$26.66	2.8%	1.6%	228,672	7.3%	\$28.30	3.0%	1.2%
\$15 \$25	83,099	7.4%	\$23.16	2.4%	1.3%	96,881	23.9%	\$51.41	5.4%	2.6%	179,980	11.6%	\$74.57	7.9%	2.0%
\$25 \$35	79,577	10.5%	\$48.23	5.1%	1.9%	52,213	19.5%	\$48.76	5.1%	3.0%	131,791	12.8%	\$96.99	10.2%	2.4%
\$35 \$50	113,380	21.0%	\$118.92	12.5%	2.4%	29,779	15.4%	\$45.34	4.8%	3.6%	143,159	19.5%	\$164.26	17.3%	2.6%
\$50 \$100	131,187	38.1%	\$282.21	29.7%	3.1%	14,185	11.2%	\$41.99	4.4%	4.5%	145,372	31.2%	\$324.19	34.2%	3.2%
\$100 Over	22,334	20.2%	\$232.28	24.5%	4.8%	2,213	5.6%	\$27.55	2.9%	5.9%	24,547	16.4%	\$259.83	27.4%	4.9%
Total	506,942	100.0%	\$706.43	74.5%	3.0%	482,696	100.00%	\$242.35	25.5%	2.9%	989,638	100.00%	\$948.78	100.00%	3.0%

Fiscal Impact:

\$90.22

\$9.75

\$99.97

All Taxpayers:

\$109.11

Non-Resident:

\$9.14

Kansas Department of Revenue

Corporate Income Tax Liability
Returns Processed in 1990

				Proposal #1	
		Surtax		2.25%	3.95%
		Base Rate	Threshold	\$25,000	\$50,000
		Base Rate		4.50%	4.00%
Net Taxable Income		Returns	Current Tax Liability	Proposed Tax Liability	
No Tax		20,022			
\$0 - \$5	\$7,188,975	4,022	\$323,503.88	\$287,559.00	
\$5 - \$10	\$11,918,900	1,623	\$536,350.50	\$476,756.00	
\$10 - \$15	\$13,913,669	1,119	\$626,115.11	\$556,546.76	
\$15 - \$20	\$14,002,814	802	\$630,126.63	\$560,112.56	
\$20 - \$25	\$14,643,786	653	\$658,970.37	\$585,751.44	
\$25 - \$30	\$14,585,913	532	\$685,299.13	\$583,436.52	
\$30 - \$35	\$14,759,462	454	\$740,888.69	\$590,378.48	
\$35 - \$40	\$13,865,946	371	\$727,263.86	\$554,637.84	
\$40 - \$45	\$14,771,442	347	\$801,884.84	\$590,857.68	
\$45 - \$50	\$15,784,270	332	\$878,688.23	\$631,370.80	
\$50 - \$75	\$66,636,133	1,097	\$3,880,876.48	\$3,130,997.57	
\$75 - \$100	\$48,068,112	561	\$2,929,035.06	\$2,713,439.90	
\$100 - \$500	\$252,299,293	1,178	\$16,367,577.28	\$17,731,243.79	
\$500 - \$1,000	\$130,745,434	184	\$8,721,816.80	\$10,030,862.00	
\$1,000 - Over	\$1,250,989,253	284	\$84,282,024.58	\$98,892,745.61	
	\$1,884,173,402	33,581	\$122,790,421	\$137,916,696	

		Returns	Current Law	Proposed	Difference	Dollar Change Per Return
No Taxable Income		20,022	\$0	\$0	\$0	\$0
\$0 - \$25,000		8,219	\$2,775,066	\$2,466,726	(\$308,341)	(\$38)
\$25,000 - \$50,000		2,036	\$3,834,025	\$2,950,681	(\$883,343)	(\$434)
\$50,000 - \$100,000		1,658	\$6,809,912	\$5,844,437	(\$965,474)	(\$582)
\$100,000 - Over		1,646	\$109,371,419	\$126,654,851	\$17,283,433	\$10,500
HOUSE TAXATION Total		13,559	\$122,790,421	\$137,916,696	\$15,126,275	\$1,116

Kansas Department of Revenue

Bank Privilege Tax Liability
Returns Processed in 1990

Banks Proposal #1	
2.125%	3.95%
\$25,000	\$50,000
4.25%	4.00%

		Net Taxable Income	Returns	Current Tax Liability	Proposed Tax Liability
No Tax			97		
\$0	- \$5	\$6,188	2	\$262.99	\$247.52
\$5	- \$10	\$19,647	3	\$835.00	\$785.88
\$10	- \$15	\$107,828	9	\$4,582.69	\$4,313.12
\$15	- \$20	\$36,400	2	\$1,547.00	\$1,456.00
\$20	- \$25	\$87,813	4	\$3,732.05	\$3,512.52
\$25	- \$30	\$108,963	4	\$4,821.39	\$4,358.52
\$30	- \$35	\$61,905	2	\$2,883.94	\$2,476.20
\$35	- \$40	\$146,369	4	\$7,206.02	\$5,854.76
\$40	- \$45	\$255,342	6	\$13,090.55	\$10,213.68
\$45	- \$50	\$239,713	5	\$12,625.45	\$9,588.52
\$50	- \$75	\$1,693,913	27	\$93,643.20	\$81,341.08
\$75	- \$100	\$2,140,544	25	\$123,178.43	\$120,798.25
\$100	- \$500	\$50,408,590	212	\$3,100,922.61	\$3,588,782.91
\$500	- \$1,000	\$70,196,037	103	\$4,420,278.61	\$5,377,159.94
\$1,000	- Over	\$216,395,929	81	\$13,752,209.22	\$17,043,501.36
		\$341,905,181	586	\$21,541,819	\$26,254,390

		Returns	Tax Liability		Difference	Dollar Change Per Return
			Current Law	Proposed		
No Taxable Income		97	\$0	\$0	\$0	\$0
\$0	- \$25,000	20	\$10,960	\$10,315	(\$645)	(\$32)
\$25,000	- \$50,000	21	\$40,627	\$32,492	(\$8,136)	(\$387)
\$50,000	- \$100,000	52	\$216,822	\$202,139	(\$14,682)	(\$282)
\$100,000	- Over	396	\$21,273,410	\$26,009,444	\$4,736,034	\$11,960
Total		489	\$21,541,819	\$26,254,390	\$4,712,571	\$9,637

Kansas Department of Revenue

Savings and Loan Privilege Tax Liability
Returns Processed in 1990

Savings and Loan Proposal #1	
2.250%	3.95%
\$25,000	\$50,000
4.50%	4.00%

	Net Taxable Income	Returns	Current Tax Liability	Proposed Tax Liability
No Tax		34		
\$0 - \$5	\$0	0	\$0.00	\$0.00
\$5 - \$10	\$9,778	1	\$440.01	\$391.12
\$10 - \$15	\$0	0	\$0.00	\$0.00
\$15 - \$20	\$0	0	\$0.00	\$0.00
\$20 - \$25	\$24,511	1	\$1,103.00	\$980.44
\$25 - \$30	\$0	0	\$0.00	\$0.00
\$30 - \$35	\$33,651	1	\$1,708.94	\$1,346.04
\$35 - \$40	\$0	0	\$0.00	\$0.00
\$40 - \$45	\$0	0	\$0.00	\$0.00
\$45 - \$50	\$47,993	1	\$2,677.03	\$1,919.72
\$50 - \$75	\$57,890	1	\$3,345.08	\$2,627.26
\$75 - \$100	\$169,733	2	\$10,331.98	\$9,543.77
\$100 - \$500	\$1,578,757	6	\$103,191.10	\$113,661.18
\$500 - \$1,000	\$2,319,359	3	\$154,869.23	\$178,464.04
\$1,000 - Over	\$133,914,126	13	\$9,031,891.01	\$10,620,498.02
	\$138,155,798	63	\$9,309,557	\$10,929,432

	Returns	Current Law Tax Liability	Proposed Tax Liability	Difference	Dollar Change Per Return
No Taxable Income	34	\$0	\$0	\$0	\$0
\$0 - \$25,000	2	\$1,543	\$1,372	(\$171)	(\$86)
\$25,000 - \$50,000	2	\$4,386	\$3,266	(\$1,120)	(\$560)
\$50,000 - \$100,000	3	\$13,677	\$12,171	(\$1,506)	(\$502)
\$100,000 - Over	22	\$9,289,951	\$10,912,623	\$1,622,672	\$73,758
Total	29	\$9,309,557	\$10,929,432	\$1,619,874	\$55,858

Attachment 3-3