

Approved: Feb 1 1995
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:00 a.m. on January 26, 1995 in Room 519--S of the Capitol.

Members present: Senator Langworthy, Senator Corbin, Senator Martin, Senator Bond, Senator Clark, Senator Feleciano, Jr., Senator Hardenburger, Senator Lee, Senator Ranson, Senator Sallee and Senator Wisdom.

Committee staff present: Tom Severn, Legislative Research Department
Chris Courtwright, Legislative Research Department
Don Hayward, Revisor of Statutes
Elizabeth Carlson, Secretary to the Committee

Conferees appearing before the committee: Steve Stotts, Department of Revenue
Bert Cantwell, Kansas City Kansas Area Chamber of Commerce
Ann Elliott, Geary Co. Landlords Assn., Inc.
Jerry Jones, Downtown Development - Wichita
Arthur Brown, Mid-America Lumbermens Association
Bernie Hentzen, Wichita Area Builders--Kansas Building Assn.
Jake Schloegel, National Assn. of Remodeling Industry
Rod Weinmeister, Kansas Industrial Developers Assn.

Others attending: See attached list

APPROVAL OF MINUTES

Senator Feleciano made a motion to approve the minutes of January 24, 1995. The motion was seconded by Senator Martin. The motion carried.

REQUESTS FOR INTRODUCTION OF BILLS

Pete McGill, of Pete McGill and Associates, requested the committee introduce a bill to define, for the purpose of taxation, land developed for agricultural use to include controlled shooting area.

Senator Bond moved to introduce this bill. The motion was seconded by Senator Corbin. The motion carried.

ANNOUNCEMENT OF COMMITTEE MEETING JANUARY 27, 1995 CANCELED

Senator Langworthy announced the committee meeting scheduled for January 27, 1995 has been canceled due to the Senate Session being held at 11:00 a.m. **SB 50--Motor vehicle property tax assessment reduced** which was on the agenda for the January 27 meeting will be rescheduled.

SB 39-INCOME TAX ON RETIREMENT BENEFITS (CONT)

Steve Stotts, Research and Revenue Analysis Bureau, Department of Revenue, appeared before the committee with figures regarding taxable pensions and annuities. (Attachment 1) He reviewed the attachment for the committee pointing out the fiscal impact of different alternatives for taxing retirement pensions.

Senator Langworthy said she intends to appoint a subcommittee to work on **SB 39**.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S
Statehouse, at 11:00 a.m. on January 26, 1995.

SB 28--SALES TAX EXEMPTION FOR REMODELING OF RESIDENT SERVICES

Proponents

Bert Cantwell, Kansas City, Kansas Area Chamber of Commerce, appeared in support of the bill. (Attachment 2) He also asked that commercial properties be included as well. He said in Kansas City Kansas, remodeling is likely to occur much more than new construction. He gave data on the housing in Kansas City and he said they have identified over 6,000 single family housing units and 405 commercial properties that are substandard. This brings down the value of other properties in the neighborhood.

Senator Bond asked if Kansas City, Kansas has used the Neighborhood Revitalization Act which was enacted during the 1994 Session. Mr. Cantwell said "yes, it has been used in the northeast area of the city. This has given a return of pride to the community."

Anne Elliott, Geary County Landlords Assn., Inc. spoke in support of **SB 28**. (Attachment 3) She said in Geary County many housing programs have to comply with housing codes. The property owner must remodel or renovate and sometimes these properties are just boarded up because of the cost. When the house has been renovated, another problem occurs when the appraisal is raised. This raises the rent and takes the home out of the "affordable market".

The committee commented about the use of the terms "remodel" and "renovate". Ms. Elliott asked that repair also be exempted from the sales tax. The committee asked if Geary County has used the Neighborhood Revitalization Act and Ms. Elliott replied they had used the Block Grant but she had not heard about the Neighborhood Revitalization Act being used.

Jerry Jones, Downtown Development, Wichita, said he appeared in favor of the amendments proposed in **SB 28** which would extend the exemption of sales tax on construction services to the reconstruction, restoration, remodeling, renovation or replacement of residential property. (Attachment 4) He said he also favored extending the exemption to commercial renovation projects. Mr. Jones gave some very interesting data regarding the benefits of rehabilitating existing properties versus construction of new properties.

The committee thanked Mr. Jones for the data he supplied and asked if he had any data on how much rehabilitation is being done in the Wichita area. He replied he did not have that information but some of the conferees who were speaking later may have.

Arthur Brown, Mid-America Lumbermens Association, said the repeal of the sales tax imposed currently on remodeling would certainly make the administrative part of the job a lot easier. (Attachment 5) His association feels the repeal of this tax, however, is not as important as the repeal of the sales tax on original construction. In a poll of dealers taken over the weekend, they felt the repeal of any tax that hinders construction activity would be helpful. Mr. Brown quoted the fiscal impact of \$57 million on **SB 28**, given by Steve Stotts, Department of Revenue, at the committee meeting last week, and then yesterday in the House, the fiscal note used was \$12 million for residential construction services and \$13 million for commercial construction services. He thought maybe this needed more study.

The committee said there must be some misinterpretation of what staff said. Staff said the \$57 million included materials and the total for residential construction and commercial construction sales tax was actually \$26 million.

Bernard Hentzen, Wichita Area Builders Association, said they support the removal of sales tax on remodeling work and he gave several reasons. (Attachment 6) He felt the removal of the tax will encourage construction activity on many older homes in need of repair. All of this provides jobs and encourages economic activity. He gave some information from Wichita State University on the value of construction permits for 33 selected Kansas cities for a two year period. He said the remodeling and repairs represented 38.4% of the total while new construction represents 61.6%. Because of exemptions on certain kinds of repairs and remodeling the administration of the existing system is a nightmare. Removal of this tax will be a step in the right direction.

The committee asked how would it work if the tax is applied only to remodeling and not repairs and Mr. Hentzen replied it would be a double nightmare.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S
Statehouse, at 11:00 a.m. on January 26, 1995.

Jake Schloegel, National Association of Remodeling Industry, stated there are 70 people in his association in the metropolitan area. They find this tax to be very detrimental in the rehabilitation of older homes. The older parts of the city are made up of people who are trying to maintain their homes and the almost 5% sales tax seems to be hindering remodeling. He said this tax is offensive to their industry and he requested the tax be repealed.

The committee asked if there was a sales tax on remodeling and repairing in Missouri and he said there is not. He thought this tax was unique to Kansas.

Rod Weinmeister, Kansas Industrial Developers Association, appeared in support of **SB 28**. (Attachment 7) His members focus on the attraction of new industry to Kansas and he said adequate and affordable housing is becoming more of a location factor today for companies considering Kansas. The tax is also a deterrent to companies interested in expanding operations.

The hearing was closed.

The meeting adjourned at 12:10 p.m.

The next meeting is scheduled for January 31, 1995.

SENATE ASSESSMENT AND TAXATION COMMITTEE GUEST LIST

DATE: Jan 26, 1995

NAME	REPRESENTING
Whitney Damron	Pete Mchill & Associates
Pete Mchill	PMA - Flint Oak Ranch
HAROLD PITS	SELF
ED Elliott	Geary Co. Landlord
Ann Elliott	Geary Co. Landlords Assn
Catherine Holdeman	City of Millita
Marc Farrar	City of Overland Park
Jerry Jones	WISE PARTNERSHIP FOR GROWTH, INC.
Bernie Koch	Wichita Chamber
Rich McFee	KS Livestock Assoc.
Jim Green	Mid Mo Urban Assn
Andy Green	Amer Institute of Architects
Dea Corless	HBA of KC
Brook Sweet	HBA of KC
ROD WENMESTER	Kansas Industrial Development Assn.
John Sunell	Down Town Topeka Inc.
Don Herriman	Gov. Commission on Housing & Urban
Charles W. Remick	Commercial Group - Topeka
Christy Bailey	Senator Karr

STATE OF KANSAS

Steven A. Stotts, Manager
Robert B. Docking State Office Building
915 S.W. Harrison St.
Topeka, Kansas 66612-1588



(913) 296-3081
FAX (913) 296-7928

Department of Revenue
Research & Revenue Analysis

To: Senator Audrey Langworthy, Chair
Senate Assessment and Taxation Committee

From: Steve Stotts
Research and Revenue Analysis Bureau

Date: January 25, 1995

Subject: Taxable Pensions and Annuities

The information on private and government pensions is taken from the department's individual income tax simulation model of tax year 1988 returns. The dollar figures represent an estimate of federal taxable retirement amounts in tax year 1988. The retirement amounts are the amounts listed on the taxable annuities and pension (17b), taxable IRA distributions (16b) and taxable social security (21b) lines of the federal 1040 form.

Not included in these figures are interest, dividends, and capital gain income that some retired taxpayers will have as part or all of their retirement income.

Information from the Federal Form 1040:

Federal Adjusted Gross Income	\$28,204,564,706
Taxable Annuities and Pensions	\$1,247,313,789
Taxable IRA distributions	\$124,388,526
Taxable Social Security Benefits	\$187,406,211
Total Taxable Pensions	\$1,559,108,526

The next set of figures are also from the 1988 simulation model, and represent an estimate of the amount of Federal civil service and Kansas pension income included in Federal adjusted gross income and excluded from Kansas adjusted gross income. In tax year 1988, military pensions were not excluded from Federal adjusted gross income for Kansas income tax purposes. The figure for military pensions is not from the Kansas form K40, but is the amount of military pensions benefits paid to Kansas beneficiaries as reported by the Department of Defense.

Information from Kansas form K40:

Kansas Federal Civil Service Pensions	\$243,757,474
Kansas Pensions Plans	\$127,399,474
Kansas Military Pensions	<u>\$181,351,000</u>
Total excluded from F.A.G.I.	\$552,507,948

Senate Assess & Tax
Jan 26, 1995
attach 1-1

If these exempt government pensions were fully taxable, income tax liability in tax year 1994 would be increased about \$27.5 million. The departments' simulation model estimates about \$19.1 million would be generated from federal civil service and KPERS pensions. Taxing military pensions is estimated to generate about \$8.4 million.

The difference between taxable annuities, pensions, IRA distributions and social security benefits from the federal form and the amount of government pensions excluded on the Kansas form is the amount of non-government pensions which were taxable in tax year 1988:

Total Taxable Pensions	\$1,559,108,526
Government pensions excluded	\$552,507,948
Taxable non-government pensions	\$1,006,607,578

If non-government pensions had been excluded from Kansas income tax in tax year 1994 there would be a reduction of about \$59.1 million in income tax liability.

Alternatives for taxing retirement pensions:

1. Tax all public retirement income to the extent it has not previously been taxed.

Fiscal Impact: \$27.5 million increase

From a tax policy standpoint this alternative is the best and would treat all retirement income the same. Rates could be reduced to offset the increase in liability.

2. Exclude all retirement income to the extent it is included in federal adjusted gross income.

Fiscal Impact: (\$59.1) million decrease

There are at least two major problems with this alternative. The first is how to handle those taxpayers whose retirement income consists of interest, dividends, and capital gains. The second is the reduction in revenues from exempting all retirement income.

3. Exclude a certain amount of government retirement income from income tax.

Fiscal Impact: Neutral (About a \$10,000 threshold is estimated to be revenue neutral)

This alternative was used in several bills which would have exempted the first \$10,000 of government pensions. Any threshold amount could be used and could apply to all pensions or to government pensions only.

PERS

Employee Contributions:

Federal Income Tax: Deferred
Kansas Income Tax: Taxable

Retirement Benefits:

Federal Income Tax: All Taxable
Kansas Income Tax: All Exempt

Federal Civil Service

Employee Contributions:

Federal Income Tax: Taxable, or if Deferred the contribution is Exempt
Kansas Income Tax: Taxable, or if Deferred the contribution is Exempt

Retirement Benefits:

Federal Income Tax: Retirement benefits previously subject to tax are exempt.

Retirement benefits NOT previously subject to tax are taxable.

Kansas Income Tax: All Exempt

Non-Government Pensions

Employee Contributions:

Federal Income Tax: Taxable, or if Deferred the contribution is Exempt
Kansas Income Tax: Taxable, or if Deferred the contribution is Exempt

Retirement Benefits:

Federal Income Tax: Retirement benefits previously subject to tax are exempt.

Retirement benefits NOT previously subject to tax are taxable.

Kansas Income Tax: Retirement benefits previously subject to tax are exempt.

Retirement benefits NOT previously subject to tax are taxable.

Military Pensions

Employee Contributions:

No Contributions

Retirement Benefits:

Federal Income Tax: All Taxable
Kansas Income Tax: All Exempt

Modify Kansas Adjusted Gross Income:

KPERS Contributions would not be Added Back to KAGI

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
Resident Taxpayers
Liability Dollars are in Millions

SIMULATION 0003

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.	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	10,664	0.0%	\$0.0	\$0.00	0.0%	102,213	0.0%	\$0.0	\$0.00	0.2%	112,877	0.0%	\$0.0	\$0.00	0.2%
\$5 \$15	51,509	-0.5%	\$0.0	(\$0.18)	0.3%	161,167	0.2%	\$0.0	\$0.27	1.6%	212,676	0.1%	\$0.0	\$0.16	1.3%
\$15 \$25	71,831	-0.4%	(\$0.1)	(\$1.17)	1.3%	100,805	1.2%	\$0.7	\$6.53	2.6%	172,636	0.8%	\$0.6	\$3.33	2.1%
\$25 \$35	75,050	1.5%	\$0.7	\$9.08	1.9%	54,527	-0.7%	(\$0.4)	(\$7.54)	3.3%	129,577	0.3%	\$0.3	\$2.08	2.5%
\$35 \$50	107,243	-0.1%	(\$0.1)	(\$1.25)	2.3%	37,928	-1.6%	(\$1.1)	(\$28.98)	4.1%	145,171	-0.7%	(\$1.2)	(\$8.49)	2.8%
\$50 \$100	154,628	-1.4%	(\$4.8)	(\$31.35)	3.2%	18,712	-0.2%	(\$0.1)	(\$6.59)	4.8%	173,340	-1.2%	(\$5.0)	(\$28.67)	3.4%
\$100 Over	30,181	-0.3%	(\$0.7)	(\$23.06)	4.5%	2,616	-1.6%	(\$0.5)	(\$209.10)	5.9%	32,797	-0.4%	(\$1.2)	(\$37.90)	4.6%
Total	506,942	-0.6%	(\$5.1)	(\$10.04)	3.1%	482,696	-0.5%	(\$1.5)	(\$3.07)	3.3%	989,638	-0.6%	(\$6.6)	(\$6.64)	3.1%

Fiscal Impact:

All Taxpayers: (\$6.6)
Residents Only: (\$6.6)

Married Residents: (\$5.1)
Single Residents: (\$1.5)

idents: (\$0.1)

Current Law Tax Rates		
Married:	\$0 - \$30	3.50%
	\$30 - \$60 + \$1,050	6.25%
	\$60 - Over + \$2,925	6.45%
Single:	\$0 - \$20	4.40%
	\$20 - \$30 + \$880	7.50%
	\$30 - Over + \$1,630	7.75%

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Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
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	10,664	0.1%	\$0.00	0.0%	0.0%	102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%
\$5 \$15	51,408	2.2%	\$1.75	0.2%	0.3%	160,966	17.7%	\$25.79	2.3%	1.6%	212,374	6.2%	\$27.54	2.5%	1.3%
\$15 \$25	71,630	5.8%	\$20.04	1.8%	1.3%	99,698	22.4%	\$53.34	4.8%	2.6%	171,328	10.0%	\$73.38	6.6%	2.1%
\$25 \$35	74,044	8.8%	\$44.42	4.0%	1.9%	55,030	18.7%	\$55.52	5.0%	3.3%	129,074	11.4%	\$99.95	9.1%	2.5%
\$35 \$50	107,042	18.0%	\$109.05	9.9%	2.3%	38,531	18.2%	\$68.66	6.2%	4.1%	145,573	18.1%	\$177.71	16.1%	2.8%
\$50 \$100	156,036	41.6%	\$353.41	32.0%	3.2%	18,813	13.7%	\$60.47	5.5%	4.8%	174,849	34.4%	\$413.89	37.5%	3.4%
\$100 Over	30,282	23.5%	\$277.81	25.2%	4.5%	2,716	6.2%	\$33.46	3.0%	5.9%	32,998	19.0%	\$311.26	28.2%	4.6%
Total	506,942	100.00%	\$806.49	73.0%	3.1%	482,696	100.00%	\$297.81	27.0%	3.3%	989,638	100.00%	\$1,104.30	100.00%	3.1%

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
Resident Taxpayers

SIMULATION 0003

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	10,664	0.1%	\$0.00	0.0%	0.0%	102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%
\$5 \$15	51,509	2.2%	\$1.74	0.2%	0.3%	161,167	17.8%	\$25.83	2.4%	1.6%	212,676	6.2%	\$27.58	2.5%	1.3%
\$15 \$25	71,831	5.8%	\$19.95	1.8%	1.3%	100,805	22.7%	\$54.00	4.9%	2.6%	172,636	10.2%	\$73.95	6.7%	2.1%
\$25 \$35	75,050	9.0%	\$45.10	4.1%	1.9%	54,527	18.6%	\$55.11	5.0%	3.3%	129,577	11.5%	\$100.22	9.1%	2.5%
\$35 \$50	107,243	18.1%	\$108.92	9.9%	2.3%	37,928	17.9%	\$67.56	6.2%	4.1%	145,171	18.1%	\$176.48	16.1%	2.8%
\$50 \$100	154,628	41.3%	\$348.57	31.8%	3.2%	18,712	13.7%	\$60.35	5.5%	4.8%	173,340	34.2%	\$408.92	37.3%	3.4%
\$100 Over	30,181	23.5%	\$277.11	25.2%	4.5%	2,616	6.1%	\$32.91	3.0%	5.9%	32,797	19.0%	\$310.02	28.2%	4.6%
Total	506,942	100.00%	\$801.40	73.0%	3.1%	482,696	100.00%	\$296.33	27.0%	3.3%	989,638	100.00%	\$1,097.73	100.00%	3.1%

Fiscal Impact: (\$5.09)

(\$1.48)

(\$6.57)

All Taxpayers: (\$6.62)

Non-Resident: (\$0.06)

Modify Kansas Adjusted Gross Income:

KPERs Retirement Benefits would be Included in KAGI

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
Resident Taxpayers
Liability Dollars are in Millions

SIMULATION 0004

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.	5,734	0.0%	\$0.0	\$0.00	0.0%	4,728	0.0%	\$0.0	\$0.00	0.0%	10,362	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	9,256	0.0%	\$0.0	\$0.00	0.0%	100,503	0.0%	\$0.0	\$0.00	0.2%	109,759	0.0%	\$0.0	\$0.00	0.2%
\$5 \$15	49,296	1.8%	\$0.0	\$0.63	0.3%	161,167	0.8%	\$0.2	\$1.26	1.6%	210,463	0.8%	\$0.2	\$1.11	1.3%
\$15 \$25	73,038	2.3%	\$0.5	\$6.38	1.3%	101,006	1.6%	\$0.8	\$8.23	2.6%	174,044	1.8%	\$1.3	\$7.45	2.1%
\$25 \$35	75,352	1.9%	\$0.9	\$11.42	1.9%	55,131	0.0%	\$0.0	(\$0.23)	3.3%	130,483	0.8%	\$0.8	\$6.50	2.5%
\$35 \$50	107,344	0.4%	\$0.4	\$3.77	2.3%	38,531	0.5%	\$0.3	\$8.19	4.2%	145,875	0.4%	\$0.7	\$4.94	2.8%
\$50 \$100	156,539	0.3%	\$1.2	\$7.76	3.2%	19,014	1.2%	\$0.7	\$36.62	4.8%	175,553	0.5%	\$1.9	\$10.88	3.4%
\$100 Over	30,382	0.2%	\$0.6	\$18.94	4.5%	2,716	0.4%	\$0.1	\$47.51	5.9%	33,099	0.2%	\$0.7	\$21.28	4.6%
Total	506,942	0.4%	\$3.6	\$7.01	3.1%	482,797	0.7%	\$2.2	\$4.48	3.3%	989,638	0.5%	\$5.7	\$5.77	3.1%

Fiscal Impact:

All Taxpayers: \$5.7
Residents Only: \$5.7

Married Residents: \$3.6
Single Residents: \$2.2

Residents: \$0.0

Current Law Tax Rates		
Married:	\$0 - \$30	3.50%
	\$30 - \$60 + \$1,050	6.25%
	\$60 - Over + \$2,925	6.45%
Single:	\$0 - \$20	4.40%
	\$20 - \$30 + \$880	7.50%
	\$30 - Over + \$1,630	7.75%

Kansas Department Of Revenue
 Individual Income Tax In Tax Year 1994
 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	10,664	0.1%	\$0.00	0.0%	0.0%	102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%
\$5 \$15	51,408	2.2%	\$1.75	0.2%	0.3%	160,966	17.7%	\$25.79	2.3%	1.6%	212,374	6.2%	\$27.54	2.5%	1.3%
\$15 \$25	71,630	5.8%	\$20.04	1.8%	1.3%	99,698	22.4%	\$53.34	4.8%	2.6%	171,328	10.0%	\$73.38	6.6%	2.1%
\$25 \$35	74,044	8.8%	\$44.42	4.0%	1.9%	55,030	18.7%	\$55.52	5.0%	3.3%	129,074	11.4%	\$99.95	9.1%	2.5%
\$35 \$50	107,042	18.0%	\$109.05	9.9%	2.3%	38,531	18.2%	\$68.66	6.2%	4.1%	145,573	18.1%	\$177.71	16.1%	2.8%
\$50 \$100	156,036	41.6%	\$353.41	32.0%	3.2%	18,813	13.7%	\$60.47	5.5%	4.8%	174,849	34.4%	\$413.89	37.5%	3.4%
\$100 Over	30,282	23.5%	\$277.81	25.2%	4.5%	2,716	6.2%	\$33.46	3.0%	5.9%	32,998	19.0%	\$311.26	28.2%	4.6%
Total	506,942	100.00%	\$806.49	73.0%	3.1%	482,696	100.00%	\$297.81	27.0%	3.3%	989,638	100.00%	\$1,104.30	100.00%	3.1%

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1994
 Resident Taxpayers

SIMULATION 0004

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.	5,734	0.0%	\$0.00	0.0%	0.0%	4,728	0.0%	\$0.00	0.0%	0.0%	10,362	0.0%	\$0.00	0.0%	0.0%
\$0 \$5	9,256	0.1%	\$0.00	0.0%	0.0%	100,503	3.1%	\$0.56	0.1%	0.2%	109,759	0.9%	\$0.56	0.1%	0.2%
\$5 \$15	49,296	2.1%	\$1.78	0.2%	0.3%	161,167	17.6%	\$25.99	2.3%	1.6%	210,463	6.1%	\$27.78	2.5%	1.3%
\$15 \$25	73,038	5.8%	\$20.50	1.8%	1.3%	101,006	22.6%	\$54.17	4.9%	2.6%	174,044	10.2%	\$74.68	6.7%	2.1%
\$25 \$35	75,352	8.9%	\$45.28	4.1%	1.9%	55,131	18.6%	\$55.51	5.0%	3.3%	130,483	11.4%	\$100.79	9.1%	2.5%
\$35 \$50	107,344	18.0%	\$109.46	9.9%	2.3%	38,531	18.1%	\$68.98	6.2%	4.2%	145,875	18.0%	\$178.43	16.1%	2.8%
\$50 \$100	156,539	41.6%	\$354.63	31.9%	3.2%	19,014	13.8%	\$61.17	5.5%	4.8%	175,553	34.4%	\$415.80	37.5%	3.4%
\$100 Over	30,382	23.4%	\$278.38	25.1%	4.5%	2,716	6.2%	\$33.59	3.0%	5.9%	33,099	19.0%	\$311.97	28.1%	4.6%
Total	506,942	100.00%	\$810.04	73.0%	3.1%	482,797	100.00%	\$299.97	27.0%	3.3%	989,638	100.00%	\$1,110.01	100.00%	3.1%

Fiscal Impact:

\$3.55

\$2.16

\$5.71

All Taxpayers:

\$5.73

Non-Resident:

\$0.02

5

Modify Kansas Adjusted Gross Income:

KPERS Retirement Benefits would be Included in KAGI
 KPERS Contributions Would not be Added to KAGI

Kansas Department Of Revenue
 Individual Income Tax In Tax Year 1994
 Resident Taxpayers
 Liability Dollars are in Millions

SIMULATION 0005

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.	5,734	0.0%	\$0.0	\$0.00	0.0%	4,728	0.0%	\$0.0	\$0.00	0.0%	10,362	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	9,256	0.0%	\$0.0	\$0.00	0.0%	100,503	0.0%	\$0.0	\$0.00	0.2%	109,759	0.0%	\$0.0	\$0.00	0.2%
\$5 \$15	49,396	1.3%	\$0.0	\$0.45	0.3%	161,368	1.0%	\$0.2	\$1.53	1.6%	210,765	1.0%	\$0.3	\$1.27	1.3%
\$15 \$25	73,239	1.9%	\$0.4	\$5.23	1.3%	102,012	2.7%	\$1.4	\$14.10	2.6%	175,252	2.5%	\$1.8	\$10.39	2.1%
\$25 \$35	76,358	3.5%	\$1.5	\$20.21	1.9%	54,728	-0.7%	(\$0.4)	(\$6.83)	3.2%	131,087	1.2%	\$1.2	\$8.92	2.5%
\$35 \$50	107,646	0.4%	\$0.5	\$4.21	2.3%	37,928	-1.1%	(\$0.8)	(\$20.66)	4.2%	145,573	-0.2%	(\$0.3)	(\$2.27)	2.8%
\$50 \$100	155,030	-1.1%	(\$3.8)	(\$24.66)	3.2%	18,913	0.9%	\$0.6	\$30.29	4.8%	173,944	-0.8%	(\$3.3)	(\$18.69)	3.4%
\$100 Over	30,282	0.0%	(\$0.1)	(\$3.98)	4.5%	2,616	-1.2%	(\$0.4)	(\$159.76)	5.9%	32,897	-0.2%	(\$0.5)	(\$16.37)	4.6%
Total	506,942	-0.2%	(\$1.5)	(\$3.04)	3.1%	482,797	0.2%	\$0.7	\$1.41	3.3%	989,638	-0.1%	(\$0.9)	(\$0.87)	3.1%

Fiscal Impact:

All Taxpayers: (\$0.9)
 Residents Only: (\$0.9)

Married Residents: (\$1.5)
 Single Residents: \$0.7

Residents: \$0.0

Current Law Tax Rates		
Married:	\$0 - \$30	3.50%
	\$30 - \$60 + \$1,050	6.25%
	\$60 - Over + \$2,925	6.45%
Single:	\$0 - \$20	4.40%
	\$20 - \$30 + \$880	7.50%
	\$30 - Over + \$1,630	7.75%

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
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	10,664	0.1%	\$0.00	0.0%	0.0%	102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%	
\$5 \$15	51,408	2.2%	\$1.75	0.2%	0.3%	160,966	17.7%	\$25.79	2.3%	1.6%	212,374	6.2%	\$27.54	2.5%	1.3%	
\$15 \$25	71,630	5.8%	\$20.04	1.8%	1.3%	99,698	22.4%	\$53.34	4.8%	2.6%	171,328	10.0%	\$73.38	6.6%	2.1%	
\$25 \$35	74,044	8.8%	\$44.42	4.0%	1.9%	55,030	18.7%	\$55.52	5.0%	3.3%	129,074	11.4%	\$99.95	9.1%	2.5%	
\$35 \$50	107,042	18.0%	\$109.05	9.9%	2.3%	38,531	18.2%	\$68.66	6.2%	4.1%	145,573	18.1%	\$177.71	16.1%	2.8%	
\$50 \$100	156,036	41.6%	\$353.41	32.0%	3.2%	18,813	13.7%	\$60.47	5.5%	4.8%	174,849	34.4%	\$413.89	37.5%	3.4%	
\$100 Over	30,282	23.5%	\$277.81	25.2%	4.5%	2,716	6.2%	\$33.46	3.0%	5.9%	32,998	19.0%	\$311.26	28.2%	4.6%	
Total	506,942	100.00%	\$806.49	73.0%	3.1%	482,696	100.00%	\$297.81	27.0%	3.3%	989,638	100.00%	\$1,104.30	100.00%	3.1%	

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
Resident Taxpayers
SIMULATION 0005

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.	5,734	0.0%	\$0.00	0.0%	0.0%	4,728	0.0%	\$0.00	0.0%	0.0%	10,362	0.0%	\$0.00	0.0%	0.0%	
\$0 \$5	9,256	0.1%	\$0.00	0.0%	0.0%	100,503	3.1%	\$0.56	0.1%	0.2%	109,759	0.9%	\$0.56	0.1%	0.2%	
\$5 \$15	49,396	2.2%	\$1.77	0.2%	0.3%	161,368	17.7%	\$26.04	2.4%	1.6%	210,765	6.2%	\$27.81	2.5%	1.3%	
\$15 \$25	73,239	5.9%	\$20.42	1.9%	1.3%	102,012	22.9%	\$54.78	5.0%	2.6%	175,252	10.3%	\$75.20	6.8%	2.1%	
\$25 \$35	76,358	9.1%	\$45.97	4.2%	1.9%	54,728	18.5%	\$55.15	5.0%	3.2%	131,087	11.5%	\$101.12	9.2%	2.5%	
\$35 \$50	107,646	18.1%	\$109.50	9.9%	2.3%	37,928	17.9%	\$67.88	6.2%	4.2%	145,573	18.0%	\$177.38	16.1%	2.8%	
\$50 \$100	155,030	41.2%	\$349.59	31.7%	3.2%	18,913	13.8%	\$61.04	5.5%	4.8%	173,944	34.1%	\$410.64	37.2%	3.4%	
\$100 Over	30,282	23.4%	\$277.69	25.2%	4.5%	2,616	6.1%	\$33.04	3.0%	5.9%	32,897	19.0%	\$310.73	28.2%	4.6%	
Total	506,942	100.0%	\$804.94	72.9%	3.1%	482,797	100.00%	\$298.49	27.1%	3.3%	989,638	100.00%	\$1,103.44	100.00%	3.1%	

Fiscal Impact: (\$1.54) \$0.68 (\$0.86)

All Taxpayers: (\$0.90) Non-Resident: (\$0.04)

1-9

Modify Kansas Adjusted Gross Income:

KPERS Retirement Benefits would be Included in KAGI
Federal Civil Service Pension are Included in KAGI

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
Resident Taxpayers
Liability Dollars are in Millions

1-10

SIMULATION 0006

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.	5,634	0.0%	\$0.0	\$0.00	0.0%	4,628	0.0%	\$0.0	\$0.00	0.0%	10,262	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	7,545	0.0%	\$0.0	\$0.00	0.0%	98,592	0.0%	\$0.0	\$0.00	0.2%	106,137	0.0%	\$0.0	\$0.00	0.2%
\$5 \$15	47,082	0.4%	\$0.0	\$0.15	0.3%	160,463	0.9%	\$0.2	\$1.47	1.6%	207,545	0.9%	\$0.2	\$1.17	1.3%
\$15 \$25	73,541	3.4%	\$0.7	\$9.29	1.3%	101,610	2.4%	\$1.3	\$12.74	2.6%	175,151	2.7%	\$2.0	\$11.29	2.1%
\$25 \$35	76,358	3.4%	\$1.5	\$20.01	1.9%	55,936	1.6%	\$0.9	\$15.63	3.3%	132,294	2.4%	\$2.4	\$18.16	2.5%
\$35 \$50	108,149	1.4%	\$1.6	\$14.57	2.3%	39,235	2.3%	\$1.6	\$39.84	4.2%	147,384	1.8%	\$3.1	\$21.29	2.8%
\$50 \$100	158,149	1.7%	\$6.0	\$38.19	3.2%	19,517	4.6%	\$2.8	\$143.47	4.9%	177,666	2.1%	\$8.8	\$49.76	3.4%
\$100 Over	30,483	0.8%	\$2.2	\$72.14	4.5%	2,716	0.4%	\$0.1	\$47.51	5.9%	33,199	0.7%	\$2.3	\$70.12	4.6%
Total	506,942	1.5%	\$12.0	\$23.73	3.1%	482,696	2.3%	\$6.9	\$14.29	3.3%	989,638	1.7%	\$18.9	\$19.13	3.1%

Fiscal Impact:

All Taxpayers:	\$19.1
Residents Only:	\$18.9
Married Residents:	\$12.0
Single Residents:	\$6.9
Residents:	\$0.2

Current Law Tax Rates		
Married:	\$0 - \$30	3.50%
	\$30 - \$60 + \$1,050	6.25%
	\$60 - Over + \$2,925	6.45%
Single:	\$0 - \$20	4.40%
	\$20 - \$30 + \$880	7.50%
	\$30 - Over + \$1,630	7.75%

Kansas Department Of Revenue
 Individual Income Tax In Tax Year 1994
 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	10,664	0.1%	\$0.00	0.0%	0.0%		102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%
\$5 \$15	51,408	2.2%	\$1.75	0.2%	0.3%		160,966	17.7%	\$25.79	2.3%	1.6%	212,374	6.2%	\$27.54	2.5%	1.3%
\$15 \$25	71,630	5.8%	\$20.04	1.8%	1.3%		99,698	22.4%	\$53.34	4.8%	2.6%	171,328	10.0%	\$73.38	6.6%	2.1%
\$25 \$35	74,044	8.8%	\$44.42	4.0%	1.9%		55,030	18.7%	\$55.52	5.0%	3.3%	129,074	11.4%	\$99.95	9.1%	2.5%
\$35 \$50	107,042	18.0%	\$109.05	9.9%	2.3%		38,531	18.2%	\$68.66	6.2%	4.1%	145,573	18.1%	\$177.71	16.1%	2.8%
\$50 \$100	156,036	41.6%	\$353.41	32.0%	3.2%		18,813	13.7%	\$60.47	5.5%	4.8%	174,849	34.4%	\$413.89	37.5%	3.4%
\$100 Over	30,282	23.5%	\$277.81	25.2%	4.5%		2,716	6.2%	\$33.46	3.0%	5.9%	32,998	19.0%	\$311.26	28.2%	4.6%
Total	506,942	100.00%	\$806.49	73.0%	3.1%		482,696	100.00%	\$297.81	27.0%	3.3%	989,638	100.00%	\$1,104.30	100.00%	3.1%

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1994
 Resident Taxpayers

SIMULATION 0006

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.	5,634	0.0%	\$0.00	0.0%	0.0%		4,628	0.0%	\$0.00	0.0%	0.0%	10,262	0.0%	\$0.00	0.0%	0.0%
\$0 \$5	7,545	0.1%	\$0.00	0.0%	0.0%		98,592	3.0%	\$0.56	0.1%	0.2%	106,137	0.8%	\$0.56	0.1%	0.2%
\$5 \$15	47,082	2.1%	\$1.76	0.2%	0.3%		160,463	17.4%	\$26.03	2.3%	1.6%	207,545	6.0%	\$27.79	2.5%	1.3%
\$15 \$25	73,541	5.8%	\$20.72	1.8%	1.3%		101,610	22.5%	\$54.64	4.9%	2.6%	175,151	10.1%	\$75.36	6.7%	2.1%
\$25 \$35	76,358	9.0%	\$45.95	4.1%	1.9%		55,936	18.7%	\$56.40	5.0%	3.3%	132,294	11.5%	\$102.35	9.1%	2.5%
\$35 \$50	108,149	18.0%	\$110.63	9.8%	2.3%		39,235	18.2%	\$70.23	6.3%	4.2%	147,384	18.1%	\$180.85	16.1%	2.8%
\$50 \$100	158,149	41.7%	\$359.45	32.0%	3.2%		19,517	14.0%	\$63.27	5.6%	4.9%	177,666	34.5%	\$422.73	37.6%	3.4%
\$100 Over	30,483	23.3%	\$280.01	24.9%	4.5%		2,716	6.1%	\$33.59	3.0%	5.9%	33,199	18.9%	\$313.59	27.9%	4.6%
Total	506,942	100.00%	\$818.52	72.9%	3.1%		482,696	100.00%	\$304.71	27.1%	3.3%	989,638	100.00%	\$1,123.22	100.00%	3.1%

Fiscal Impact:

\$12.03

\$6.90

\$18.93

All Taxpayers:

\$19.08

Non-Resident:

\$0.15

odify Kansas Adjusted Gross Income:

Exempts All Private and Public Pension Income

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994

Resident Taxpayers

Liability Dollars are in Millions

SIMULATION 0007

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.	8,350	0.0%	\$0.0	\$0.00	0.0%	5,734	0.0%	\$0.0	\$0.00	0.0%	14,085	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	18,511	0.0%	\$0.0	\$0.73	0.0%	107,042	-0.2%	\$0.0	(\$0.01)	0.2%	125,553	2.2%	\$0.0	\$0.10	0.2%
\$5 \$15	56,036	23.7%	\$0.4	\$7.40	0.4%	159,155	-1.6%	(\$0.4)	(\$2.59)	1.6%	215,191	0.0%	\$0.0	\$0.01	1.2%
\$15 \$25	68,008	-6.8%	(\$1.4)	(\$20.17)	1.3%	98,692	-1.5%	(\$0.8)	(\$8.02)	2.6%	166,700	-2.9%	(\$2.2)	(\$12.97)	2.1%
\$25 \$35	72,032	-6.0%	(\$2.7)	(\$37.00)	1.8%	56,740	3.9%	\$2.2	\$37.93	3.3%	128,773	-0.5%	(\$0.5)	(\$3.98)	2.5%
\$35 \$50	108,048	0.0%	\$0.0	(\$0.04)	2.3%	36,821	-6.4%	(\$4.4)	(\$119.30)	4.0%	144,869	-2.5%	(\$4.4)	(\$30.35)	2.7%
\$50 \$100	147,988	-6.3%	(\$22.4)	(\$151.54)	3.2%	15,996	-14.9%	(\$9.0)	(\$564.36)	4.8%	163,984	-7.6%	(\$31.5)	(\$191.81)	3.3%
\$100 Over	27,968	-5.7%	(\$15.9)	(\$566.93)	4.5%	2,515	-4.5%	(\$1.5)	(\$593.97)	5.9%	30,483	-5.6%	(\$17.3)	(\$569.16)	4.6%
Total	506,942	-5.2%	(\$41.9)	(\$82.64)	3.0%	482,696	-4.7%	(\$14.0)	(\$28.94)	3.2%	989,638	-5.1%	(\$55.9)	(\$56.45)	3.1%

Fiscal Impact:

All Taxpayers: (\$59.1)
Residents Only: (\$55.9)

Married Residents: (\$41.9)
Single Residents: (\$14.0)

Residents: (\$3.2)

Current Law Tax Rates		
Married:	\$0 - \$30	3.50%
	\$30 - \$60 + \$1,050	6.25%
	\$60 - Over + \$2,925	6.45%
Single:	\$0 - \$20	4.40%
	\$20 - \$30 + \$880	7.50%
	\$30 - Over + \$1,630	7.75%

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
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	10,664	0.1%	\$0.00	0.0%	0.0%	102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%
\$5 \$15	51,408	2.2%	\$1.75	0.2%	0.3%	160,966	17.7%	\$25.79	2.3%	1.6%	212,374	6.2%	\$27.54	2.5%	1.3%
\$15 \$25	71,630	5.8%	\$20.04	1.8%	1.3%	99,698	22.4%	\$53.34	4.8%	2.6%	171,328	10.0%	\$73.38	6.6%	2.1%
\$25 \$35	74,044	8.8%	\$44.42	4.0%	1.9%	55,030	18.7%	\$55.52	5.0%	3.3%	129,074	11.4%	\$99.95	9.1%	2.5%
\$35 \$50	107,042	18.0%	\$109.05	9.9%	2.3%	38,531	18.2%	\$68.66	6.2%	4.1%	145,573	18.1%	\$177.71	16.1%	2.8%
\$50 \$100	156,036	41.6%	\$353.41	32.0%	3.2%	18,813	13.7%	\$60.47	5.5%	4.8%	174,849	34.4%	\$413.89	37.5%	3.4%
\$100 Over	30,282	23.5%	\$277.81	25.2%	4.5%	2,716	6.2%	\$33.46	3.0%	5.9%	32,998	19.0%	\$311.26	28.2%	4.6%
Total	506,942	100.00%	\$806.49	73.0%	3.1%	482,696	100.00%	\$297.81	27.0%	3.3%	989,638	100.00%	\$1,104.30	100.00%	3.1%

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
Resident Taxpayers
SIMULATION 0007

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.	8,350	0.0%	\$0.00	0.0%	0.0%	5,734	0.0%	\$0.00	0.0%	0.0%	14,085	0.0%	\$0.00	0.0%	0.0%
\$0 \$5	18,511	0.2%	\$0.01	0.0%	0.0%	107,042	3.4%	\$0.56	0.1%	0.2%	125,553	1.0%	\$0.57	0.1%	0.2%
\$5 \$15	56,036	2.4%	\$2.17	0.2%	0.4%	159,155	17.9%	\$25.38	2.4%	1.6%	215,191	6.5%	\$27.54	2.6%	1.2%
\$15 \$25	68,008	5.7%	\$18.67	1.8%	1.3%	98,692	22.8%	\$52.55	5.0%	2.6%	166,700	10.1%	\$71.22	6.8%	2.1%
\$25 \$35	72,032	8.9%	\$41.76	4.0%	1.8%	56,740	19.9%	\$57.67	5.5%	3.3%	128,773	11.7%	\$99.43	9.5%	2.5%
\$35 \$50	108,048	18.9%	\$109.05	10.4%	2.3%	36,821	17.9%	\$64.27	6.1%	4.0%	144,869	18.6%	\$173.32	16.5%	2.7%
\$50 \$100	147,988	40.9%	\$330.99	31.6%	3.2%	15,996	12.0%	\$51.44	4.9%	4.8%	163,984	33.4%	\$382.43	36.5%	3.3%
\$100 Over	27,968	23.1%	\$261.95	25.0%	4.5%	2,515	6.1%	\$31.96	3.0%	5.9%	30,483	18.7%	\$293.92	28.0%	4.6%
Total	506,942	100.00%	\$764.59	72.9%	3.0%	482,696	100.00%	\$283.84	27.1%	3.2%	989,638	100.00%	\$1,048.44	100.00%	3.1%
Fiscal Impact:			(\$41.89)					(\$13.97)					(\$55.86)		
All Taxpayers:			(\$59.10)			Non-Resident:		(\$3.24)							

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Modify Kansas Adjusted Gross Income:

KPERS Contributions would not be Added Back to KAGI

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
Resident Taxpayers
Liability Dollars are in Millions

SIMULATION 0003

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.	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	10,664	0.0%	\$0.0	\$0.00	0.0%	102,213	0.0%	\$0.0	\$0.00	0.2%	112,877	0.0%	\$0.0	\$0.00	0.2%
\$5 \$15	51,509	-0.5%	\$0.0	(\$0.18)	0.3%	161,167	0.2%	\$0.0	\$0.27	1.6%	212,676	0.1%	\$0.0	\$0.16	1.3%
\$15 \$25	71,831	-0.4%	(\$0.1)	(\$1.17)	1.3%	100,805	1.2%	\$0.7	\$6.53	2.6%	172,636	0.8%	\$0.6	\$3.33	2.1%
\$25 \$35	75,050	1.5%	\$0.7	\$9.08	1.9%	54,527	-0.7%	(\$0.4)	(\$7.54)	3.3%	129,577	0.3%	\$0.3	\$2.08	2.5%
\$35 \$50	107,243	-0.1%	(\$0.1)	(\$1.25)	2.3%	37,928	-1.6%	(\$1.1)	(\$28.98)	4.1%	145,171	-0.7%	(\$1.2)	(\$8.49)	2.8%
\$50 \$100	154,628	-1.4%	(\$4.8)	(\$31.35)	3.2%	18,712	-0.2%	(\$0.1)	(\$6.59)	4.8%	173,340	-1.2%	(\$5.0)	(\$28.67)	3.4%
\$100 Over	30,181	-0.3%	(\$0.7)	(\$23.06)	4.5%	2,616	-1.6%	(\$0.5)	(\$209.10)	5.9%	32,797	-0.4%	(\$1.2)	(\$37.90)	4.6%
Total	506,942	-0.6%	(\$5.1)	(\$10.04)	3.1%	482,696	-0.5%	(\$1.5)	(\$3.07)	3.3%	989,638	-0.6%	(\$6.6)	(\$6.64)	3.1%

Fiscal Impact:

All Taxpayers: (\$6.6)
Residents Only: (\$6.6)

Married Residents: (\$5.1)
Single Residents: (\$1.5)

Residents: (\$0.1)

Current Law Tax Rates		
Married:	\$0 - \$30	3.50%
	\$30 - \$60 + \$1,050	6.25%
	\$60 - Over + \$2,925	6.45%
Single:	\$0 - \$20	4.40%
	\$20 - \$30 + \$880	7.50%
	\$30 - Over + \$1,630	7.75%

Kansas Department Of Revenue
 Individual Income Tax In Tax Year 1994
 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	10,664	0.1%	\$0.00	0.0%	0.0%	102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%	
\$5 \$15	51,408	2.2%	\$1.75	0.2%	0.3%	160,966	17.7%	\$25.79	2.3%	1.6%	212,374	6.2%	\$27.54	2.5%	1.3%	
\$15 \$25	71,630	5.8%	\$20.04	1.8%	1.3%	99,698	22.4%	\$53.34	4.8%	2.6%	171,328	10.0%	\$73.38	6.6%	2.1%	
\$25 \$35	74,044	8.8%	\$44.42	4.0%	1.9%	55,030	18.7%	\$55.52	5.0%	3.3%	129,074	11.4%	\$99.95	9.1%	2.5%	
\$35 \$50	107,042	18.0%	\$109.05	9.9%	2.3%	38,531	18.2%	\$68.66	6.2%	4.1%	145,573	18.1%	\$177.71	16.1%	2.8%	
\$50 \$100	156,036	41.6%	\$353.41	32.0%	3.2%	18,813	13.7%	\$60.47	5.5%	4.8%	174,849	34.4%	\$413.89	37.5%	3.4%	
\$100 Over	30,282	23.5%	\$277.81	25.2%	4.5%	2,716	6.2%	\$33.46	3.0%	5.9%	32,998	19.0%	\$311.26	28.2%	4.6%	
Total	506,942	100.00%	\$806.49	73.0%	3.1%	482,696	100.00%	\$297.81	27.0%	3.3%	989,638	100.00%	\$1,104.30	100.00%	3.1%	

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1994
 Resident Taxpayers

SIMULATION 0003

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	10,664	0.1%	\$0.00	0.0%	0.0%	102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%	
\$5 \$15	51,509	2.2%	\$1.74	0.2%	0.3%	161,167	17.8%	\$25.83	2.4%	1.6%	212,676	6.2%	\$27.58	2.5%	1.3%	
\$15 \$25	71,831	5.8%	\$19.95	1.8%	1.3%	100,805	22.7%	\$54.00	4.9%	2.6%	172,636	10.2%	\$73.95	6.7%	2.1%	
\$25 \$35	75,050	9.0%	\$45.10	4.1%	1.9%	54,527	18.6%	\$55.11	5.0%	3.3%	129,577	11.5%	\$100.22	9.1%	2.5%	
\$35 \$50	107,243	18.1%	\$108.92	9.9%	2.3%	37,928	17.9%	\$67.56	6.2%	4.1%	145,171	18.1%	\$176.48	16.1%	2.8%	
\$50 \$100	154,628	41.3%	\$348.57	31.8%	3.2%	18,712	13.7%	\$60.35	5.5%	4.8%	173,340	34.2%	\$408.92	37.3%	3.4%	
\$100 Over	30,181	23.5%	\$277.11	25.2%	4.5%	2,616	6.1%	\$32.91	3.0%	5.9%	32,797	19.0%	\$310.02	28.2%	4.6%	
Total	506,942	100.0%	\$801.40	73.0%	3.1%	482,696	100.00%	\$296.33	27.0%	3.3%	989,638	100.00%	\$1,097.73	100.00%	3.1%	

Fiscal Impact: (\$5.09) (\$1.48) (\$6.57)

All Taxpayers: (\$6.62) Non-Resident: (\$0.06)

Modify Kansas Adjusted Gross Income:

KPERS Retirement Benefits would be Included in KAGI

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
Resident Taxpayers
Liability Dollars are in Millions

SIMULATION 0004

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.	5,734	0.0%	\$0.0	\$0.00	0.0%	4,728	0.0%	\$0.0	\$0.00	0.0%	10,362	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	9,256	0.0%	\$0.0	\$0.00	0.0%	100,503	0.0%	\$0.0	\$0.00	0.2%	109,759	0.0%	\$0.0	\$0.00	0.2%
\$5 \$15	49,296	1.8%	\$0.0	\$0.63	0.3%	161,167	0.8%	\$0.2	\$1.26	1.6%	210,463	0.8%	\$0.2	\$1.11	1.3%
\$15 \$25	73,038	2.3%	\$0.5	\$6.38	1.3%	101,006	1.6%	\$0.8	\$8.23	2.6%	174,044	1.8%	\$1.3	\$7.45	2.1%
\$25 \$35	75,352	1.9%	\$0.9	\$11.42	1.9%	55,131	0.0%	\$0.0	(\$0.23)	3.3%	130,483	0.8%	\$0.8	\$6.50	2.5%
\$35 \$50	107,344	0.4%	\$0.4	\$3.77	2.3%	38,531	0.5%	\$0.3	\$8.19	4.2%	145,875	0.4%	\$0.7	\$4.94	2.8%
\$50 \$100	156,539	0.3%	\$1.2	\$7.76	3.2%	19,014	1.2%	\$0.7	\$36.62	4.8%	175,553	0.5%	\$1.9	\$10.88	3.4%
\$100 Over	30,382	0.2%	\$0.6	\$18.94	4.5%	2,716	0.4%	\$0.1	\$47.51	5.9%	33,099	0.2%	\$0.7	\$21.28	4.6%
Total	506,942	0.4%	\$3.6	\$7.01	3.1%	482,797	0.7%	\$2.2	\$4.48	3.3%	989,638	0.5%	\$5.7	\$5.77	3.1%

Fiscal Impact:

All Taxpayers: \$5.7
Residents Only: \$5.7

Married Residents: \$3.6
Single Residents: \$2.2

Residents: \$0.0

Current Law Tax Rates		
Married:	\$0 - \$30	3.50%
	\$30 - \$60 + \$1,050	6.25%
	\$60 - Over + \$2,925	6.45%
Single:	\$0 - \$20	4.40%
	\$20 - \$30 + \$880	7.50%
	\$30 - Over + \$1,630	7.75%

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
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	10,664	0.1%	\$0.00	0.0%	0.0%	102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%
\$5 \$15	51,408	2.2%	\$1.75	0.2%	0.3%	160,966	17.7%	\$25.79	2.3%	1.6%	212,374	6.2%	\$27.54	2.5%	1.3%
\$15 \$25	71,630	5.8%	\$20.04	1.8%	1.3%	99,698	22.4%	\$53.34	4.8%	2.6%	171,328	10.0%	\$73.38	6.6%	2.1%
\$25 \$35	74,044	8.8%	\$44.42	4.0%	1.9%	55,030	18.7%	\$55.52	5.0%	3.3%	129,074	11.4%	\$99.95	9.1%	2.5%
\$35 \$50	107,042	18.0%	\$109.05	9.9%	2.3%	38,531	18.2%	\$68.66	6.2%	4.1%	145,573	18.1%	\$177.71	16.1%	2.8%
\$50 \$100	156,036	41.6%	\$353.41	32.0%	3.2%	18,813	13.7%	\$60.47	5.5%	4.8%	174,849	34.4%	\$413.89	37.5%	3.4%
\$100 Over	30,282	23.5%	\$277.81	25.2%	4.5%	2,716	6.2%	\$33.46	3.0%	5.9%	32,998	19.0%	\$311.26	28.2%	4.6%
Total	506,942	100.00%	\$806.49	73.0%	3.1%	482,696	100.00%	\$297.81	27.0%	3.3%	989,638	100.00%	\$1,104.30	100.00%	3.1%

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1994
Resident Taxpayers

SIMULATION 0004

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.	5,734	0.0%	\$0.00	0.0%	0.0%	4,728	0.0%	\$0.00	0.0%	0.0%	10,362	0.0%	\$0.00	0.0%	0.0%
\$0 \$5	9,256	0.1%	\$0.00	0.0%	0.0%	100,503	3.1%	\$0.56	0.1%	0.2%	109,759	0.9%	\$0.56	0.1%	0.2%
\$5 \$15	49,296	2.1%	\$1.78	0.2%	0.3%	161,167	17.6%	\$25.99	2.3%	1.6%	210,463	6.1%	\$27.78	2.5%	1.3%
\$15 \$25	73,038	5.8%	\$20.50	1.8%	1.3%	101,006	22.6%	\$54.17	4.9%	2.6%	174,044	10.2%	\$74.68	6.7%	2.1%
\$25 \$35	75,352	8.9%	\$45.28	4.1%	1.9%	55,131	18.6%	\$55.51	5.0%	3.3%	130,483	11.4%	\$100.79	9.1%	2.5%
\$35 \$50	107,344	18.0%	\$109.46	9.9%	2.3%	38,531	18.1%	\$68.98	6.2%	4.2%	145,875	18.0%	\$178.43	16.1%	2.8%
\$50 \$100	156,539	41.6%	\$354.63	31.9%	3.2%	19,014	13.8%	\$61.17	5.5%	4.8%	175,553	34.4%	\$415.80	37.5%	3.4%
\$100 Over	30,382	23.4%	\$278.38	25.1%	4.5%	2,716	6.2%	\$33.59	3.0%	5.9%	33,099	19.0%	\$311.97	28.1%	4.6%
Total	506,942	100.00%	\$810.04	73.0%	3.1%	482,797	100.00%	\$299.97	27.0%	3.3%	989,638	100.00%	\$1,110.01	100.00%	3.1%

Fiscal Impact:

\$3.55

\$2.16

\$5.71

All Taxpayers:

\$5.73

Non-Resident:

\$0.02

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Modify Kansas Adjusted Gross Income:

KPERS Retirement Benefits would be Included in KAGI
 KPERS Contributions Would not be Added to KAGI

Kansas Department Of Revenue
 Individual Income Tax In Tax Year 1994
 Resident Taxpayers
 Liability Dollars are in Millions

SIMULATION 0005

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.	5,734	0.0%	\$0.0	\$0.00	0.0%	4,728	0.0%	\$0.0	\$0.00	0.0%	10,362	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	9,256	0.0%	\$0.0	\$0.00	0.0%	100,503	0.0%	\$0.0	\$0.00	0.2%	109,759	0.0%	\$0.0	\$0.00	0.2%
\$5 \$15	49,396	1.3%	\$0.0	\$0.45	0.3%	161,368	1.0%	\$0.2	\$1.53	1.6%	210,765	1.0%	\$0.3	\$1.27	1.3%
\$15 \$25	73,239	1.9%	\$0.4	\$5.23	1.3%	102,012	2.7%	\$1.4	\$14.10	2.6%	175,252	2.5%	\$1.8	\$10.39	2.1%
\$25 \$35	76,358	3.5%	\$1.5	\$20.21	1.9%	54,728	-0.7%	(\$0.4)	(\$6.83)	3.2%	131,087	1.2%	\$1.2	\$8.92	2.5%
\$35 \$50	107,646	0.4%	\$0.5	\$4.21	2.3%	37,928	-1.1%	(\$0.8)	(\$20.66)	4.2%	145,573	-0.2%	(\$0.3)	(\$2.27)	2.8%
\$50 \$100	155,030	-1.1%	(\$3.8)	(\$24.66)	3.2%	18,913	0.9%	\$0.6	\$30.29	4.8%	173,944	-0.8%	(\$3.3)	(\$18.69)	3.4%
\$100 Over	30,282	0.0%	(\$0.1)	(\$3.98)	4.5%	2,616	-1.2%	(\$0.4)	(\$159.76)	5.9%	32,897	-0.2%	(\$0.5)	(\$16.37)	4.6%
Total	506,942	-0.2%	(\$1.5)	(\$3.04)	3.1%	482,797	0.2%	\$0.7	\$1.41	3.3%	989,638	-0.1%	(\$0.9)	(\$0.87)	3.1%

Fiscal Impact:

All Taxpayers: (\$0.9)
 Residents Only: (\$0.9)
 Married Residents: (\$1.5)
 Single Residents: \$0.7
 Residents: \$0.0

Current Law Tax Rates		
Married:	\$0 - \$30	3.50%
	\$30 - \$60 + \$1,050	6.25%
	\$60 - Over + \$2,925	6.45%
Single:	\$0 - \$20	4.40%
	\$20 - \$30 + \$880	7.50%
	\$30 - Over + \$1,630	7.75%

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
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	10,664	0.1%	\$0.00	0.0%	0.0%		102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%
\$5 \$15	51,408	2.2%	\$1.75	0.2%	0.3%		160,966	17.7%	\$25.79	2.3%	1.6%	212,374	6.2%	\$27.54	2.5%	1.3%
\$15 \$25	71,630	5.8%	\$20.04	1.8%	1.3%		99,698	22.4%	\$53.34	4.8%	2.6%	171,328	10.0%	\$73.38	6.6%	2.1%
\$25 \$35	74,044	8.8%	\$44.42	4.0%	1.9%		55,030	18.7%	\$55.52	5.0%	3.3%	129,074	11.4%	\$99.95	9.1%	2.5%
\$35 \$50	107,042	18.0%	\$109.05	9.9%	2.3%		38,531	18.2%	\$68.66	6.2%	4.1%	145,573	18.1%	\$177.71	16.1%	2.8%
\$50 \$100	156,036	41.6%	\$353.41	32.0%	3.2%		18,813	13.7%	\$60.47	5.5%	4.8%	174,849	34.4%	\$413.89	37.5%	3.4%
\$100 Over	30,282	23.5%	\$277.81	25.2%	4.5%		2,716	6.2%	\$33.46	3.0%	5.9%	32,998	19.0%	\$311.26	28.2%	4.6%
Total	506,942	100.00%	\$806.49	73.0%	3.1%		482,696	100.00%	\$297.81	27.0%	3.3%	989,638	100.00%	\$1,104.30	100.00%	3.1%

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
Resident Taxpayers
SIMULATION 0005

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.	5,734	0.0%	\$0.00	0.0%	0.0%		4,728	0.0%	\$0.00	0.0%	0.0%	10,362	0.0%	\$0.00	0.0%	0.0%
\$0 \$5	9,256	0.1%	\$0.00	0.0%	0.0%		100,503	3.1%	\$0.56	0.1%	0.2%	109,759	0.9%	\$0.56	0.1%	0.2%
\$5 \$15	49,396	2.2%	\$1.77	0.2%	0.3%		161,368	17.7%	\$26.04	2.4%	1.6%	210,765	6.2%	\$27.81	2.5%	1.3%
\$15 \$25	73,239	5.9%	\$20.42	1.9%	1.3%		102,012	22.9%	\$54.78	5.0%	2.6%	175,252	10.3%	\$75.20	6.8%	2.1%
\$25 \$35	76,358	9.1%	\$45.97	4.2%	1.9%		54,728	18.5%	\$55.15	5.0%	3.2%	131,087	11.5%	\$101.12	9.2%	2.5%
\$35 \$50	107,646	18.1%	\$109.50	9.9%	2.3%		37,928	17.9%	\$67.88	6.2%	4.2%	145,573	18.0%	\$177.38	16.1%	2.8%
\$50 \$100	155,030	41.2%	\$349.59	31.7%	3.2%		18,913	13.8%	\$61.04	5.5%	4.8%	173,944	34.1%	\$410.64	37.2%	3.4%
\$100 Over	30,282	23.4%	\$277.69	25.2%	4.5%		2,616	6.1%	\$33.04	3.0%	5.9%	32,897	19.0%	\$310.73	28.2%	4.6%
Total	506,942	100.0%	\$804.94	72.9%	3.1%		482,797	100.00%	\$298.49	27.1%	3.3%	989,638	100.00%	\$1,103.44	100.00%	3.1%
Fiscal Impact:			(\$1.54)						\$0.68					(\$0.86)		
All Taxpayers:			(\$0.90)				Non-Resident:		(\$0.04)							

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Modify Kansas Adjusted Gross Income:

KPERS Retirement Benefits would be Included in KAGI
 Federal Civil Service Pension are Included in KAGI

Kansas Department Of Revenue
 Individual Income Tax In Tax Year 1994
 Resident Taxpayers
 Liability Dollars are in Millions

SIMULATION 0006

1-20

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.	5,634	0.0%	\$0.0	\$0.00	0.0%	4,628	0.0%	\$0.0	\$0.00	0.0%	10,262	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	7,545	0.0%	\$0.0	\$0.00	0.0%	98,592	0.0%	\$0.0	\$0.00	0.2%	106,137	0.0%	\$0.0	\$0.00	0.2%
\$5 \$15	47,082	0.4%	\$0.0	\$0.15	0.3%	160,463	0.9%	\$0.2	\$1.47	1.6%	207,545	0.9%	\$0.2	\$1.17	1.3%
\$15 \$25	73,541	3.4%	\$0.7	\$9.29	1.3%	101,610	2.4%	\$1.3	\$12.74	2.6%	175,151	2.7%	\$2.0	\$11.29	2.1%
\$25 \$35	76,358	3.4%	\$1.5	\$20.01	1.9%	55,936	1.6%	\$0.9	\$15.63	3.3%	132,294	2.4%	\$2.4	\$18.16	2.5%
\$35 \$50	108,149	1.4%	\$1.6	\$14.57	2.3%	39,235	2.3%	\$1.6	\$39.84	4.2%	147,384	1.8%	\$3.1	\$21.29	2.8%
\$50 \$100	158,149	1.7%	\$6.0	\$38.19	3.2%	19,517	4.6%	\$2.8	\$143.47	4.9%	177,666	2.1%	\$8.8	\$49.76	3.4%
\$100 Over	30,483	0.8%	\$2.2	\$72.14	4.5%	2,716	0.4%	\$0.1	\$47.51	5.9%	33,199	0.7%	\$2.3	\$70.12	4.6%
Total	506,942	1.5%	\$12.0	\$23.73	3.1%	482,696	2.3%	\$6.9	\$14.29	3.3%	989,638	1.7%	\$18.9	\$19.13	3.1%

Fiscal Impact:

All Taxpayers:	\$19.1
Residents Only:	\$18.9
Married Residents:	\$12.0
Single Residents:	\$6.9
esidents:	\$0.2

Current Law Tax Rates		
Married:	\$0 - \$30	3.50%
	\$30 - \$60 + \$1,050	6.25%
	\$60 - Over + \$2,925	6.45%
Single:	\$0 - \$20	4.40%
	\$20 - \$30 + \$880	7.50%
	\$30 - Over + \$1,630	7.75%

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
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	10,664	0.1%	\$0.00	0.0%	0.0%	102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%	
\$5 \$15	51,408	2.2%	\$1.75	0.2%	0.3%	160,966	17.7%	\$25.79	2.3%	1.6%	212,374	6.2%	\$27.54	2.5%	1.3%	
\$15 \$25	71,630	5.8%	\$20.04	1.8%	1.3%	99,698	22.4%	\$53.34	4.8%	2.6%	171,328	10.0%	\$73.38	6.6%	2.1%	
\$25 \$35	74,044	8.8%	\$44.42	4.0%	1.9%	55,030	18.7%	\$55.52	5.0%	3.3%	129,074	11.4%	\$99.95	9.1%	2.5%	
\$35 \$50	107,042	18.0%	\$109.05	9.9%	2.3%	38,531	18.2%	\$68.66	6.2%	4.1%	145,573	18.1%	\$177.71	16.1%	2.8%	
\$50 \$100	156,036	41.6%	\$353.41	32.0%	3.2%	18,813	13.7%	\$60.47	5.5%	4.8%	174,849	34.4%	\$413.89	37.5%	3.4%	
\$100 Over	30,282	23.5%	\$277.81	25.2%	4.5%	2,716	6.2%	\$33.46	3.0%	5.9%	32,998	19.0%	\$311.26	28.2%	4.6%	
Total	506,942	100.00%	\$806.49	73.0%	3.1%	482,696	100.00%	\$297.81	27.0%	3.3%	989,638	100.00%	\$1,104.30	100.00%	3.1%	

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1994
Resident Taxpayers

SIMULATION 0006

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.	5,634	0.0%	\$0.00	0.0%	0.0%	4,628	0.0%	\$0.00	0.0%	0.0%	10,262	0.0%	\$0.00	0.0%	0.0%	
\$0 \$5	7,545	0.1%	\$0.00	0.0%	0.0%	98,592	3.0%	\$0.56	0.1%	0.2%	106,137	0.8%	\$0.56	0.1%	0.2%	
\$5 \$15	47,082	2.1%	\$1.76	0.2%	0.3%	160,463	17.4%	\$26.03	2.3%	1.6%	207,545	6.0%	\$27.79	2.5%	1.3%	
\$15 \$25	73,541	5.8%	\$20.72	1.8%	1.3%	101,610	22.5%	\$54.64	4.9%	2.6%	175,151	10.1%	\$75.36	6.7%	2.1%	
\$25 \$35	76,358	9.0%	\$45.95	4.1%	1.9%	55,936	18.7%	\$56.40	5.0%	3.3%	132,294	11.5%	\$102.35	9.1%	2.5%	
\$35 \$50	108,149	18.0%	\$110.63	9.8%	2.3%	39,235	18.2%	\$70.23	6.3%	4.2%	147,384	18.1%	\$180.85	16.1%	2.8%	
\$50 \$100	158,149	41.7%	\$359.45	32.0%	3.2%	19,517	14.0%	\$63.27	5.6%	4.9%	177,666	34.5%	\$422.73	37.6%	3.4%	
\$100 Over	30,483	23.3%	\$280.01	24.9%	4.5%	2,716	6.1%	\$33.59	3.0%	5.9%	33,199	18.9%	\$313.59	27.9%	4.6%	
Total	506,942	100.0%	\$818.52	72.9%	3.1%	482,696	100.00%	\$304.71	27.1%	3.3%	989,638	100.00%	\$1,123.22	100.00%	3.1%	

Fiscal Impact:

\$12.03

\$6.90

\$18.93

All Taxpayers:

\$19.08

Non-Resident:

\$0.15

Modify Kansas Adjusted Gross Income:

Exempts All Private and Public Pension Income

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1994
Resident Taxpayers
Liability Dollars are in Millions

SIMULATION 0007

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.	8,350	0.0%	\$0.0	\$0.00	0.0%	5,734	0.0%	\$0.0	\$0.00	0.0%	14,085	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	18,511	0.0%	\$0.0	\$0.73	0.0%	107,042	-0.2%	\$0.0	(\$0.01)	0.2%	125,553	2.2%	\$0.0	\$0.10	0.2%
\$5 \$15	56,036	23.7%	\$0.4	\$7.40	0.4%	159,155	-1.6%	(\$0.4)	(\$2.59)	1.6%	215,191	0.0%	\$0.0	\$0.01	1.2%
\$15 \$25	68,008	-6.8%	(\$1.4)	(\$20.17)	1.3%	98,692	-1.5%	(\$0.8)	(\$8.02)	2.6%	166,700	-2.9%	(\$2.2)	(\$12.97)	2.1%
\$25 \$35	72,032	-6.0%	(\$2.7)	(\$37.00)	1.8%	56,740	3.9%	\$2.2	\$37.93	3.3%	128,773	-0.5%	(\$0.5)	(\$3.98)	2.5%
\$35 \$50	108,048	0.0%	\$0.0	(\$0.04)	2.3%	36,821	-6.4%	(\$4.4)	(\$119.30)	4.0%	144,869	-2.5%	(\$4.4)	(\$30.35)	2.7%
\$50 \$100	147,988	-6.3%	(\$22.4)	(\$151.54)	3.2%	15,996	-14.9%	(\$9.0)	(\$564.36)	4.8%	163,984	-7.6%	(\$31.5)	(\$191.81)	3.3%
\$100 Over	27,968	-5.7%	(\$15.9)	(\$566.93)	4.5%	2,515	-4.5%	(\$1.5)	(\$593.97)	5.9%	30,483	-5.6%	(\$17.3)	(\$569.16)	4.6%
Total	506,942	-5.2%	(\$41.9)	(\$82.64)	3.0%	482,696	-4.7%	(\$14.0)	(\$28.94)	3.2%	989,638	-5.1%	(\$55.9)	(\$56.45)	3.1%

Fiscal Impact:

All Taxpayers: (\$59.1)
Residents Only: (\$55.9)

Married Residents: (\$41.9)
Residents: (\$14.0)

Residents: (\$3.2)

Current Law Tax Rates		
Married:	\$0 - \$30	3.50%
	\$30 - \$60 + \$1,050	6.25%
	\$60 - Over + \$2,925	6.45%
Single:	\$0 - \$20	4.40%
	\$20 - \$30 + \$880	7.50%
	\$30 - Over + \$1,630	7.75%

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1994
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	10,664	0.1%	\$0.00	0.0%	0.0%		102,213	3.2%	\$0.56	0.1%	0.2%	112,877	0.9%	\$0.56	0.1%	0.2%
\$5 \$15	51,408	2.2%	\$1.75	0.2%	0.3%		160,966	17.7%	\$25.79	2.3%	1.6%	212,374	6.2%	\$27.54	2.5%	1.3%
\$15 \$25	71,630	5.8%	\$20.04	1.8%	1.3%		99,698	22.4%	\$53.34	4.8%	2.6%	171,328	10.0%	\$73.38	6.6%	2.1%
\$25 \$35	74,044	8.8%	\$44.42	4.0%	1.9%		55,030	18.7%	\$55.52	5.0%	3.3%	129,074	11.4%	\$99.95	9.1%	2.5%
\$35 \$50	107,042	18.0%	\$109.05	9.9%	2.3%		38,531	18.2%	\$68.66	6.2%	4.1%	145,573	18.1%	\$177.71	16.1%	2.8%
\$50 \$100	156,036	41.6%	\$353.41	32.0%	3.2%		18,813	13.7%	\$60.47	5.5%	4.8%	174,849	34.4%	\$413.89	37.5%	3.4%
\$100 Over	30,282	23.5%	\$277.81	25.2%	4.5%		2,716	6.2%	\$33.46	3.0%	5.9%	32,998	19.0%	\$311.26	28.2%	4.6%
Total	506,942	100.00%	\$806.49	73.0%	3.1%		482,696	100.00%	\$297.81	27.0%	3.3%	989,638	100.00%	\$1,104.30	100.00%	3.1%

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1994
Resident Taxpayers

SIMULATION 0007

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.	8,350	0.0%	\$0.00	0.0%	0.0%		5,734	0.0%	\$0.00	0.0%	0.0%	14,085	0.0%	\$0.00	0.0%	0.0%
\$0 \$5	18,511	0.2%	\$0.01	0.0%	0.0%		107,042	3.4%	\$0.56	0.1%	0.2%	125,553	1.0%	\$0.57	0.1%	0.2%
\$5 \$15	56,036	2.4%	\$2.17	0.2%	0.4%		159,155	17.9%	\$25.38	2.4%	1.6%	215,191	6.5%	\$27.54	2.6%	1.2%
\$15 \$25	68,008	5.7%	\$18.67	1.8%	1.3%		98,692	22.8%	\$52.55	5.0%	2.6%	166,700	10.1%	\$71.22	6.8%	2.1%
\$25 \$35	72,032	8.9%	\$41.76	4.0%	1.8%		56,740	19.9%	\$57.67	5.5%	3.3%	128,773	11.7%	\$99.43	9.5%	2.5%
\$35 \$50	108,048	18.9%	\$109.05	10.4%	2.3%		36,821	17.9%	\$64.27	6.1%	4.0%	144,869	18.6%	\$173.32	16.5%	2.7%
\$50 \$100	147,988	40.9%	\$330.99	31.6%	3.2%		15,996	12.0%	\$51.44	4.9%	4.8%	163,984	33.4%	\$382.43	36.5%	3.3%
\$100 Over	27,968	23.1%	\$261.95	25.0%	4.5%		2,515	6.1%	\$31.96	3.0%	5.9%	30,483	18.7%	\$293.92	28.0%	4.6%
Total	506,942	100.0%	\$764.59	72.9%	3.0%		482,696	100.00%	\$283.84	27.1%	3.2%	989,638	100.00%	\$1,048.44	100.00%	3.1%

Fiscal Impact: (\$41.89) (\$13.97) (\$55.86)

All Taxpayers: (\$59.10) Non-Resident: (\$3.24)

SENATE ASSESSMENT AND TAXATION COMMITTEE

HEARING ON S.B. NO. 28

MADAM CHAIRWOMAN, MEMBERS OF THE COMMITTEE:

MY NAME IS BERT CANTWELL AND ON BEHALF OF THE KANSAS CITY KANSAS AREA CHAMBER OF COMMERCE I APPEAR IN SUPPORT OF THE REPEAL OF THE SALES TAX PLACED ON WORK DONE REMODELING RESIDENTIAL PROPERTIES. IN FACT, THE CHAMBER FEELS REPEAL OF THE TAX SHOULD BE EXTENDED TO COMMERCIAL PROPERTIES AS WELL.

OUR CHAMBER FULLY SUPPORTED S.B. NO. 14 THAT REPEALED THE SALES TAX ON NEW CONSTRUCTION. HOWEVER, POUNDING NAILS, CUTTING BOARDS AND BRUSHING PAINT IS THE SAME WHETHER IT IS A NEW BUILDING OR AN OLD ONE. SO, IT SEEMS FAIR TO TREAT BOTH ACTIVITIES THE SAME FOR TAX PURPOSES.

IN THE CASE OF KANSAS CITY KANSAS REMODELING IS LIKELY TO HAPPEN MUCH MORE THAN NEW CONSTRUCTION. CONSEQUENTLY A REPEAL OF THE SALES TAX ON REMODELING WOULD MORE LIKELY BE A BIGGER SPUR TO ECONOMIC DEVELOPMENT THAN NEW CONSTRUCTION. I WOULD THINK THAT WOULD ALSO BE THE CASE IN MOST OF THE OLDER COMMUNITIES IN KANSAS.

ACCORDING TO INFORMATION PROVIDED BY THE WYANDOTTE COUNTY APPRAISER'S OFFICE, 54.8% OF KANSAS CITY'S SINGLE FAMILY HOUSING STOCK WAS BUILT BEFORE 1950. THE SAME DATA REVEALS THAT 27% OF THE CITY'S TOTAL HOUSING STOCK WAS BUILT BEFORE 1930. KANSAS CITY KANSAS, ALONG WITH A NUMBER OF OTHER MUNICIPALITIES, HAS TRIED A NUMBER OF EFFORTS TO GET OLDER STRUCTURES REHABED AND

*Senate Assess & Tax
Jan 26, 1995
attach 2-1*

REMODELED. THE REPEAL OF THE SALES TAX COULD ONLY HELP THOSE EFFORTS.

KANSAS CITY OFFICIALS HAVE IDENTIFIED 6,715 SINGLE FAMILY HOUSING UNITS AND 405 COMMERCIAL PROPERTIES THAT ARE SUBSTANDARD BUT SUITABLE FOR REHAB, MEANING "THE APPRAISED VALUE AFTER REHAB MEETS OR EXCEEDS THE CURRENT MARKET VALUE PLUS THE COST OF REHAB." OBVIOUSLY, ANY PROPERTY THAT HAS DETERIORATED TO THE POINT IT BECOMES SUB-STANDARD, BRINGS DOWN THE VALUE OF OTHER PROPERTIES IN THE NEIGHBORHOOD.

IN CLOSING, I URGE YOU TO CONSIDER THE VERY POSITIVE EFFECT THAT REPEAL OF THE SALES TAX ON CONSTRUCTION LABOR USED IN REMODELING COULD HAVE ON DECISIONS TO RENOVATE OLDER PROPERTIES, THEREBY INCREASING VALUES, JOBS AND PRIDE IN OLDER COMMUNITIES. I ASK YOU TO INCLUDE COMMERCIAL PROPERTIES IN THE BILL AND TO CONSIDER THE FAIRNESS OF TAXING CONSTRUCTION OF NEW PROPERTIES DIFFERENTLY THAN REMODELING OF OLDER PROPERTIES.

I WOULD RESPOND TO QUESTIONS IF THERE ARE ANY.

Testimony for SB 28
Assessment and Taxation Committee
Thursday, January 26, 1995 - 11:00 a.m.

The push for "affordable housing" has created problems for residential property owners, including landlords due to the high costs involved in remodeling or renovation.

Cities and counties are tired of mandates, yet cities and counties put mandates on residential property owners through housing ordinances known as "codes". Many housing programs require the property must comply to local housing codes or the "Housing Quality Standards" known as "HQS" for HUD programs such as Section 8.

Homes were originally build to a code, as these codes are upgraded the property becomes sub-standard and the property owner must remodel or renovate to currant housing codes, which change yearly, to rent the property.

The cost of materials is constantly rising, the cost of labor is high and then we add the sales tax on labor and materials. Very few property owners complain about the sales tax on materials, however the sales tax on labor has prevented many property owners from doing everything they would like to have done in the renovation process, thus only the bare necessities are done to comply with codes. Or, some property owners do the work themselves using materials of lessor quality resulting in a less desirable home.

In time these homes risk the chance of being boarded up because of deterioration and the cost of renovation being too great. The older areas of a community often times become blighted due to deterioration and boarded up homes. These homes if maintained could have added to the affordable housing stock rather then blighting an area.

Another problem occurs when the County Appraiser comes by after the renovation is completed and raises the appraisal, when the property owner is just taking the home back to original condition, i.e., a new roof, a coat of paint or new siding.

Each time the rental property owner has to renovate, they must regain the costs. In order to do so the rent must be raised, eventually taking the home out of the "affordable" market.

We must also take a look at the elderly and those on a limited income who own their homes. Eventually their homes will be sold or passed on to a relative. Due to their limited income, they cannot afford to do all of the maintenance on the home necessary, so the home becomes sub-standard.

Many middle income homebuyers cannot afford to build new homes, so they are forced to buy these older homes, many in need of remodel or renovation due to lack of maintenance.

We are trying to attract businesses to Kansas. We are told by Economic Development these businesses look at the current housing stock when choosing a location to relocate. We need to help the owners of this current housing stock, to give them one more incentive to upgrade the housing across the State of Kansas.

*Senate Assess & Tax
Jan 26, 1995
attach 3-1*

I realize the loss of revenue from the sales tax on labor on remodel or renovation may create a loss of revenue for the state, cities and counties. However, the repeal of the sales tax would encourage property owners to buy more materials for remodel or renovation, and eventually balance out the loss of revenue.

I also realize this will not stop the deterioration of housing, however, this is one more step to put homes back to a decent, safe and livable condition to keep housing affordable throughout the State of Kansas.

If you have any questions, I would be glad to try and answer. Thank you for this chance to testify before this committee.

Ann Elliott
Legislative Chairperson
Geary Co. Landlords Assn., Inc.
364 Grant Avenue
Junction City, KS 66441-4244
913/238-1894

Comments to the Senate Committee on Assessment and Taxation regarding Senate Bill No. 28
by Jerry Jones, Vice President Downtown Development for the Wichita/Sedgwick County Partnership for Growth

I am in favor of the amendments proposed in Senate Bill 28 which extend the exemption of sales tax on construction services to the reconstruction, restoration, remodeling, renovation or replacement of residential property. I would also favor extending the exemption to commercial renovation projects.

Working daily for the revitalization of an aging neighborhood, I witness the many obstacles and disincentives for property owners considering improvements and businesses considering expanding at their existing location. Too often, the businesses owner is compelled to relocate to the newer parts of town leaving another building to sit empty. The really sad part for the community is that without investment in existing buildings, property values in the neighborhood decline, which means less property tax revenue for the schools, towns, counties and state. Its too bad that the need for public services in those area don't also decline, but too often, just the opposite occurs. With increased demand for public safety and infrastructure repair. Of course this pattern of decline in older neighborhoods is well known in communities across the nation, yet we have few of the tools available in other states to address this issue in Kansas.

~~Certainly a community benefits economically when new buildings are constructed, yet communities benefit even more when existing property is rehabilitated. In his book "The Economics of Rehabilitation" Donald Rypkema uses U.S. Department of Commerce data to compare the economic impact of investing \$1 million in the rehabilitation of an existing building versus constructing a new one:~~

- \$120,000 more dollars will initially stay in the community with rehabilitation than with new construction.
- Five to nine more construction jobs will be created with rehabilitation than with new construction
- 4.7 more new jobs will be created elsewhere in the community with rehabilitation than with new construction
- Household incomes in the community will increase \$107,000 more with rehabilitation than with new construction.
- Retail sales in the community will increase \$34,000 more with rehabilitation than with new construction

Rypkema also calculates that dollar for dollar, building rehabilitation is one of the highest job generating economic development options available. \$1,000,000 invested in building rehabilitation created more jobs than a \$1,000,000 invested in the signature industries of the following states:

- In Michigan, \$1,000,000 spent on building rehabilitation results in 12 more jobs than manufacturing \$1,000,000 in cars.
- West Virginia, 20 more jobs than coal mining
- Oklahoma, 29 more jobs than pumping oil
- Oregon, 22 more jobs than cutting timber
- Pennsylvania, 12 more jobs than processing steel
- California, 5 more jobs than manufacturing electronic equipment
- South Dakota, 17 more jobs than growing agricultural products, and
- South Carolina, 8 more jobs than textile manufacturing.

I hope that the State Legislature will act to provide an incentive for rehabilitating existing property through the passage of Senate Bill 28 with the addition of commercial remodels.

*Bill Jones
for Historic
Preservation*

*Senate Assess + Tax
Jan 26, 1995
attach 4-1*



800 WESTPORT ROAD • KANSAS CITY, MISSOURI 64111-3198
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MID-AMERICA LUMBERMENS ASSOCIATION

**TESTIMONY BEFORE THE SENATE ASSESTMENT AND TAXATION COMMITTEE
PRESENTED BY ART BROWN-KANSAS REGIONAL MANAGER-
MID-AMERICA LUMBERMENS ASSOCIATION**

January 26, 1995

Senate Bill NO. 28

RM 519-S

Madam Chair, members of the Committee, it is my pleasure to visit with you today as a proponent for Senate Bill 28, which would eliminate the sales tax currently imposed on remodeling construction services.

There are two points I wish to establish early in my testimony:

- 1) This is a peripheral issue for retail building material dealers. We already pay the tax on materials, so our support for this Legislation is more for the support of the industry then for us. Yes, of course we will derive a benefit from increased sales, from the elimination of this tax. However, we feel the direct impact will come from the labor component of the industry. They have to collect and remit this tax. Repeal of same would certainly make the adminstrative part of their job a lot easier.
- 2) Repeal of this tax is not as important to us as the repeal of the 2-1/2% tax on original constructions services. This, our State Committee took a position on in our November meeting in Hutchinson.

To be honest with you, we did not really discuss any type of tax repeal on remodeling at that time in any great depth. The attitude then, and with a poll of dealers taken at a meeting over the week-end of January 21-22 of this year at a gathering in McPherson was, "yes, we'll be glad to eliminate any tax that hinders construction activity.



*Senate Assess + Tax
Jan 26, 1995
attach 5-1*

I must confess, on a personal note, I am somewhat surprised about the amount of interest this issue has generated. Last year, at the end of the session, if I had Joe Montana and George Brett on either side of me, talking the merits of the bill before you, no one would have bothered to listen. Now, here we are, in day 12 of this session and based on what I saw yesterday in the House, I'm almost tempted to offer an amendment to eliminate the MATERIALS used in construction, both original and remodeling from sales tax. I doubt if I would get very far with this, but to say there has been a change in attitude towards our industry in the last three years, is to say the least. We truly appreciate this support.

We certainly see some potential activity with a repeal of this tax. A tax credit was passed last year for disabled people to remodel their domicile to accommodate their disability. Because of the Americans with Disabilities Act, we are sure that more businesses, churches, and other commercial buildings will be making the necessary changes to comply with this federal law.

Also, many who cannot afford new housing are always good prospects to re-model their current residence, and in a State with a large rural population, many in such areas do much of this type of work, as new construction is not as prolific as it is in the urban areas.

HOWEVER, there is an asterik in all of this, and I feel I must point it out to this committee.

Three years ago, we as an industry advised many in leadership at that time, that imposing a tax on original construction was a very un-wise devise for the collection of revenue. Why?

Because, as a State Legislature, you do not control the main component that drives the construction industry--- Interest Rates!! It becomes chancy at best to pin a fiscal note on a revenue source in which you as a Legislature have no control.

In several visits with the last administration, we were basically told that we did not know what we were talking about, that we were self-serving, that we would not notice the impact, and that 2-1/2 % added to the cost of a new residence was not worth worrying about.

With all due respect to the Department of Revenue, revenue projections on this tax became about as accurate as predicting the weather. Simply stated, the problem is because the revenue source is a "moving target." As many have shoved newspaper articles in my face, advising me of what I already know, that housing has had a very strong year. It should still be noted that the fiscal note projection, in this strong climate fell woefully short of what was projected three years ago.

After eight conference committees, however, it was decided that the construction industry would bear the brunt of the school finance act at that time, so off we went. Unfortunately, here we are, three years later, realizing that when taxes are mixed with the construction industry, you have to be very, very, very, careful.

I totally realize we are talking about repealing a tax, not adding one. For many, who discounted any notion of repealing this tax at any time up until now, we are glad you have come to support this measure and to you we say "Welcome aboard!"

THE PEANUT OF OUR CONCERN IS AS FOLLOWS:

Last Week, Steve Stotts, Dept. of Rev., told Senator Phil Martin that the fiscal note for remodeling services, for both residential and commercial structures, would be about \$57 million. He stated that figure with confidence, and Senator Martin accepted that figure at face value with little qualm, as far as I can tell.

Mark Caridullo, council for the Dept. of Rev., told the committee after Mr. Stotts remarks, that there was some concern the department had over the definitions of repair and replacement. The nuiances between these two definitions can be complex and involve a great deal of money. These matters need to be understood the first time around.

Then yesterday, (1/25) an amendment was added to Senate Bill 14 that repealed this tax. The fiscal note used was \$12 million for residential construction services, and \$13 million for commercial. Yet, \$57 million was mentioned just last week in this committee as a "comfortable number." As Yogi Berra noted, "this sounds like Deja Vu all over again." We are seeing these "floating fiscal notes," some heartburn over some common definitions used in the construction industry, and what seems to be a "rush" to get this matter resolved as quickly as possible. Footsteps from three years ago? We hope not!!

Also, while the new Governor was putting his budget together, it would have been very easy to have added: "and labor services used in remodeling" to the original construction services porjion of his budget. He chose not to. Because it was not included, the thought must me that more study must be given to this issue, which has not been done since I have been here. If the numbers work, like they do in original construction, then all can feel comfortable with a decision to repeal this tax.

pg. 5 Testimony before the Senate Assessment and Taxation committee

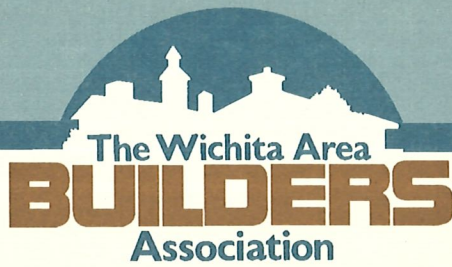
Seante Bill #28

January 26, 1995

I would close by stating that if it is the wish of this committee to repeal this tax, we'll take it. If the committee feels that more study would be necessary before this action is taken, we would work with members of any committee to give input into this issue.

What is important to us, is that we do get this tax repealed, but only after we are positive we will not have to re-visit this issue in the future, like we are original construction services tax and that we do indeed repeal the original construction services tax as quickly as possible.

I do apologize for the length of this testimony, but this is an important issue to us, and I wanted to articulate our concerns to you. I stand ready to visit with you about my testimony, or answer any questions you may have, and thank you for the opportunity to testify before you today in support of Senate Bill 28.



**The Wichita Area
BUILDERS
Association**
730 North Main, Suite 1 • Wichita, Kansas 67203
316-265-4226
Fax: 316-265-5964

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TESTIMONY

Senate Assessment and Taxation Committee
Repeal of Sales Tax on "Remodel Work"
January 26, 1995

Madam Chair,

I'm appearing here today on behalf of the Wichita Area Builders Association. Wichita Area Builders Association supports the removal of sales tax on "Remodeling Work" for the following reasons:

1. The same reasons apply to the removal of this tax as applies to removing the 2.5% sales tax on the cost of paying workers to build new homes. The logic is the same... it would be fair and equitable treatment for owners of existing homes that need repairs and/or remodeling. Removal of the tax will encourage construction activity on many older homes in need of repair. All of this provides jobs and encourages economic activity.
2. The fiscal impact of \$25 million to \$100 million for this removal is outlandishly overstated. (See bulletin attached.)

Also attached (Exhibit B) provides two pages of information compiled by Wichita State University on the value of construction permits for 33 selected Kansas cities for a two year period.

Analyzing the total for Wichita on the second page, we find a total dollar value of permits issued for the two years '94 & '93, \$276,594,870 + \$271,211,617 = \$547,806,487. Thus, the average for one year of \$273,903,243.

We also find the value of remodeled and repair permits at an average for one year as \$105,052,476.

Remodel and repairs represents	38.4% of the total.
New construction represents	61.6% of the total.

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*Deceased

*Senate Assess + Tax
Jan 26, 1995
attach 6-1*

January 26, 1995
Page 2

Applying this back to the average total of dollar value of permits issued for the two years $\$1,510,199,862 + \$1,316,588,815 = \$2,826,788,680$ divided by 2 = $\$1,413,394,340$.

Applying the 38.4% x $\$1,413,394,340 =$ Total remodel/year $\$542,743,427$.

$\$542,743,427 \times 2.5\% = \$13,568,586$

Since materials on repair and remodel jobs runs approximately 33 1/3% of the total job this $\$13,568,586$ figure should be reduced by 33 1/3% because the tax on materials is paid even if this legislation passes.

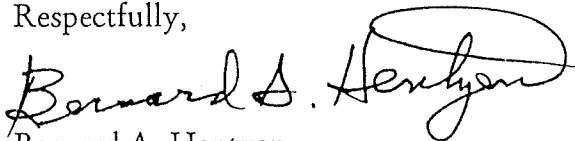
PER YEAR FISCAL IMPACT $\$13,658,586 \times 66 \frac{2}{3} = \underline{\$9,045,769}$.

3. Because of the exemptions on certain kinds of repairs and remodeling, and further interpretations by the Department of Revenue, the administration of the existing system is a nightmare at it's best. Good, competent contractors are bogged down in a costly and ineffective paper load. These contractors should be applying their energy and talent to the job of providing affordable housing and buildings. Presently, a considerable amount of every contractors time is spent on a multitude of rules and regulations from all sources. It is just a suffocating and ineffective business climate.

Removal of this remodeling tax will be a step in the right direction.

I will be glad to answer questions.

Respectfully,



Bernard A. Hentzen
Hentzen Contractors Inc.
Wichita Area Builders Association

~~Copy of Bill~~

~~Sales Tax on ^{at} ~~new~~ ~~work~~ ~~2.5%~~ ~~and~~ ~~\$~~ 10.7 mil~~

~~Total Subst. Collabor. at 4.9% ~~and~~ ~~\$~~ 57.2 mil~~

Exh - A

January 11, 1995

BULLETIN

TO: MEMBERS OF THE CONSTRUCTION TAX REPEAL COALITION
RE: SENATE ACTION ON SENATE BILL 14

Dear Coalition Member:

As you are probably aware, the Senate Assessment and Taxation Committee held hearings yesterday on SB 14 which would repeal state and local taxes on "labor services" involved in new construction in Kansas. Committee Democrats did attempt to "load the boat with rocks" as expected by amending SB 14 to also repeal sales tax on both residential and commercial remodel work as was an amendment to repeal sales tax on just residential remodel work. The bill was subsequently voted out of committee as originally drafted and is expected to come up for debate on the floor of the Senate as early as tomorrow.

While repeal of sales tax on "remodel work" is very appealing, the fiscal impact of such repeal is estimated at anywhere from \$25 million to over \$100 million, depending on the definition used. Supporters of SB 14 view attempts to increase the cost of the bill by adding such amendments as a way to significantly decrease the chances of getting either tax repealed. Certainly it would appear preferable to have SB 14 passed as currently written and then take up the issue of repeal of the remodel tax as a separate matter.

A copy of the Coalitions' position paper and a directory of Senators' offices accompany this bulletin for your convenience. Please take the time to voice your support for SB 14, as originally drafted, to members of the Kansas Senate. A Senate vote on the bill will likely come early next week.

*Kay Dean Hill
W.S.L.*

12 MONTH MOVING TOTAL & AVERAGE REPORT
FOR THE KANSAS ECONOMY

	December 1993 through November 1994	December 1992 through November 1993	12 MHT Percentage Change
CONSTRUCTION AND REAL ESTATE			
Value of construction permits for 33 selected Kansas cities	1,510,199,262	1,316,588,818	14.7
Arkansas City	6,003,973	4,753,161	26.3
Atchison	3,544,926	2,658,791	33.3
Coffeyville	3,331,015	2,258,957	47.5
Derby	11,804,715	9,474,718	22.0
Dodge City	16,235,601	13,267,646	22.4
El Dorado	12,752,926	6,097,848	109.1
Esperia	16,244,404	14,305,866	13.7
Fort Scott	8,047,894	7,521,600	6.9
Garden City	19,523,408	14,191,786	31.5
Great Bend	5,022,639	5,003,623	0.3
Hays	13,563,533	12,356,569	9.7
✓ Hutchinson	25,319,688	12,156,546	108.3
Independence	2,657,910	1,543,351	72.2
Junction City	5,394,058	13,412,686	-57.5
Kansas City	42,159,445	29,971,082	40.7
✓ Lawrence	134,918,978	88,593,119	55.8
Leavenworth	14,426,827	20,152,919	-38.4
✓ Leawood	82,100,000	83,100,000	-1.2
✓ Lenexa	62,117,820	57,931,296	7.2
Liberal	11,654,859	6,571,834	77.3
Manhattan	28,366,787	32,754,058	-13.4
McPherson	14,661,528	8,030,672	82.6
Newton	13,395,437	7,922,245	67.8
✓ Olathe	160,185,543	111,738,452	43.4
Ottawa	14,945,870	3,579,573	317.5
✓ Overland Park	290,877,579	251,010,435	15.9
Pittsburg	10,637,437	15,189,872	-30.0
Prairie Village	12,252,323	30,654,295	-60.0
✓ Salina	40,025,831	29,676,287	34.9
✓ Shawnee	52,485,339	57,075,856	9.5
✓ Topeka	88,399,782	85,220,914	2.5
✓ Wichita	276,594,870	271,211,617	2.0
Winfield	9,099,167	7,924,914	14.8
EMPLOYMENT 1			
NONFARM WAGE AND SALARY EMPLOYMENT			
(ESTABLISHMENT DATA)			
Total wage and salary	1,159,275	1,132,192	2.3
Manufacturing, total	192,275	192,542	-0.1
Durable goods	103,542	103,642	-0.1
Nondurable goods	78,733	78,900	-0.2
Mining	8,733	8,842	-1.2
Contract construction	50,650	46,100	9.9
Transportation, communications, public utility	68,667	65,533	4.6
Wholesale and retail trade	277,867	273,900	1.4
Retail trade	208,317	205,550	1.6
Finances insurance and real estate	58,783	53,025	1.3
Services	276,308	267,792	3.9
Government	232,992	229,359	1.6
CIVILIAN LABOR FORCE (RESIDENCE DATA) 3			
Total civilian labor force	1,336,480	1,218,730	1.3

12 MONTH MOVING TOTAL & AVERAGE REPORT
FOR THE WICHITA AREA ECONOMY

December 1993 through November 1994 December 1992 through November 1993 12 MTH Percentage Change

CONSTRUCTION AND REAL ESTATE

Construction permits issued, City of Wichita.....	7,583	19,405	-60.9
Total permits, new residential construction.....	1,734	1,779	-2.5
One-family structures.....	1,297	1,327	-2.3
Small multi-family structures.....	21	12	75.0
Large multi-family structures.....	8	19	-39.5
Other.....	408	427	-4.4
Total permits, new nonresidential construction.....	321	194	65.5
Total permits, additions, remodels and repairs.....	5,529	17,432	-68.3
New dwelling units.....	1,405	1,441	-2.5
One family structures.....	1,297	1,327	-2.3
Small multi-family structures.....	60	24	150.0
Large multi-family structures.....	48	90	-46.7
Dwelling units demolished.....	297	327	-9.2
Value of construction permits issued, City of Wichita.....	\$278,594,870	\$271,211,517	2.0
Total new residential.....	113,722,445	118,107,442	-3.7
One-family structures.....	107,173,618	111,351,281	-3.8
Small multi-family structures.....	1,948,999	1,267,000	53.8
Large multi-family structures.....	1,500,000	2,770,110	-42.2
Other.....	2,999,828	2,719,051	10.3
Total new nonresidential.....	78,143,249	29,728,398	156.1
Total permits, additions, remodels and repairs.....	88,729,176	123,395,777	-29.7
Residential.....	15,477,217	41,008,152	-62.3
Nonresidential.....	71,251,959	82,367,615	-13.5
Real estate transfers.....	20,635	19,080	8.1

EMPLOYMENT (Wichita HSA) 1
NONFARM WAGE AND SALARY EMPLOYMENT
(ESTABLISHMENT DATA)

Total wage and salary.....	249,008	250,575	-0.6
Manufacturing, total.....	56,075	58,625	-4.3
Durable goods.....	44,933	47,508	-5.4
Fabricated metal products.....	NA	NA	NA
Machinery (including electrical).....	6,817	6,450	5.7
Transportation equipment.....	31,642	34,708	-8.6
Nondurable goods.....	11,142	11,117	0.2
Food and kindred products.....	3,267	3,306	-1.0
Printing, publishing and allied industry.....	3,450	3,400	1.5
Petroleum refining and related industry.....	NA	NA	NA
Mining.....	1,583	1,608	-1.5
Contract construction.....	11,993	11,725	0.5
Transportation, communications, public utility.....	11,342	11,425	-0.7
Wholesale and retail trade.....	57,692	57,358	0.6
Wholesale trade.....	12,925	12,917	0.1
Retail trade.....	44,767	44,442	0.7
Finances insurance and real estate.....	10,967	11,067	-0.9
Services.....	66,458	66,533	-0.1
Government.....	32,917	32,033	2.8
CIVILIAN LABOR FORCE (RESIDENCE DATA) 3			
Total civilian labor force.....	271,044	269,072	0.7
Unemployed.....	16,463	14,436	14.0
Unemployment rate (percent).....	5.1	5.4	---
Total employed.....	254,581	254,637	-0.0
	2 200	2 133	7.2

TOTAL P.02



KANSAS INDUSTRIAL DEVELOPERS ASSOCIATION

Testimony before the

Senate Committee on Assessment and Taxation

by
Rod Weinmeister
President

Madam Chair and Members of the Committee:

My name is Rod Weinmeister, 1995 president of the Kansas Industrial Developers Association and Director, Economic Development for Western Resources appearing today in support of SB 28.

Members of the Kansas Industrial Developers Association focus their attention and efforts on the attraction of new industry and assisting existing companies expand in Kansas for the creation of new jobs and increasing capital investment.

Today companies who consider Kansas for a new plant location or an existing Kansas company who is contemplating adding new investment in machinery and equipment and new jobs are confronted with many factors effecting their location decision process.

Adequate and affordable housing is becoming more of a location factor today for companies considering Kansas as a location to expand. Our members are experiencing that the lack of decent housing is a deterrent to companies interested in expanding operations.

Therefore we support eliminating state sales tax on labor used for remodeling homes thereby offering new workers of new and expanding companies available housing.

Thank you.

*Senate Assess + Tax
Jan 26, 1995
attach 7-1*