

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on January 27, 2005 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Kansas Legislative Research Department (KLRD)
Martha Dorsey, Kansas Legislative Research Department (KLRD)
Gordon Self, Revisor of Statutes Office
Nancy Kirkwood, Secretary

Conferees appearing before the committee:

Larry Baer, League of Kansas Municipalities (LKM)
Laurie McKinnon, General Counsel, KPERS
Randall Allen, Kansas Association of Counties
Matt Jordan, Director of Operations, Department of Commerce
Marlee Carpenter, The Kansas Chamber of Commerce & Industry (KCCI)
Melissa Wangemann, Legal Counsel, Deputy Assistant, Secretary of State

Others attending:

Introduction of Bills

Chairperson Allen opened the meeting today by asking for bill introductions.

Senator Lee asked for a bill regarding property tax treatment of certain elderly residential housing facilities. Senator Lee made a motion to introduce the bill, seconded by Senator Donovan. The motion carried.

Hearing on:

SB 37 - Franchise fee law modifications relating to fee name, extensions and information required

Chairperson Allen opened the hearing on **SB 37**. The Chair recognized Melissa Wangemann, Legal Counsel, Deputy Assistant Secretary of State, as a proponent. Melissa stated it is important to note **SB 37** is a reconciliation bill intended to reconcile two bills passed last year (Attachment 1).

There being no others to testify in support of **SB 37**, the Chair asked for opponents.

Marlee Carpenter, KCCI, appeared in opposition. The KCCI has concerns with the subsidiary language that was included to require additional reporting requirements for subsidiary ownership. KCCI offered a minor amendment requesting that the word "business" be inserted before the word address on line 32 of page 6 and line 41 of page 9 (Attachment 2).

There being no other opponents to testify before the Committee, the Chair closed the hearing on **SB 37**.

Hearing on:

SB 13 - Confidentiality and disclosure requirements of tax information

Chairperson Allen opened the hearing on **SB 13**, and requested Chris Courtwright, KLRD, to give the Committee a history of **SB 13**. Chris informed the Committee the bill was the result of the Interim Committee Report re confidentiality, and disclosure of tax information (Attachment 3).

Secretary Wagnon, KDOR, was recognized by the Chair and testified in support of **SB 13**. Secretary Wagnon stated **SB 13** reflects the result of negotiation and compromise between the Department and the business

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:40 A.M. on January 27, 2005 in Room 423-S of the Capitol.

community (Attachment 4).

The Chair recognized Larry Baer, Assistant General Counsel, League of League of Kansas Municipalities (LKM). Mr. Baer appeared before the Committee on behalf of LKM and its member cities in support of **SB 13**. The testimony states **SB 13** clarifies and broadens the scope of information that can be shared between state agencies and others relating to the collection, payment and enforcement of tax collections. The LKM believes **SB 13** is a policy change for the betterment of the State of Kansas, cities, and counties (Attachment 5).

Laurie McKinnon, General Counsel, KPERS, appeared before the Committee as a proponent of **SB 13**. KPERS supports the language in **SB 13** that allows KPERS access to the Department of Revenue's database to examine W-2 payroll information filed by KPERS employers (Attachment 6).

Randall Allen, Kansas Association of Counties, submitted written testimony in support of **SB 13** (Attachment 7).

Chairperson Allen recognized Matt Jordan, Director of Operations, Department of Commerce, in support of **SB 13**. Mr. Jordan stated Commerce worked with the Department of Revenue and KCCI to draft the bill (Attachment 8).

Bud Burke appeared before the Committee on behalf of the City of Olathe in support of **SB 13** (Attachment 9).

Marlee Carpenter, KCCI, appeared in support of **SB 13** (Attachment 10).

There being no others to testify on **SB 13**, Chairperson Allen closed the hearing.

Approval of Minutes

Chairperson Allen asked for approval of the minutes of January 12 and January 18. Senator Donovan made a motion to approve the minutes, seconded by Senator Jordan. The motion carried.

Chairperson Allen mentioned to the Committee it had received a handout furnished by the KLRD containing supplemental information to the Kansas Tax Facts (Attachment 11).

Senator Lee made a request of KDOR to furnish a comparison of State and Local Retail Sales Taxes with other states.

The Chair noted the Committee would not be meeting tomorrow.

The meeting adjourned at 11:45 a.m.

RON THORNBURGH
Secretary of State



Memorial Hall, 1st Floor
120 S.W. 10th Avenue
Topeka, KS 66612-1594
(785)296-4564

STATE OF KANSAS

TESTIMONY OF THE SECRETARY OF STATE TO THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION ON SB 37

JANUARY 27, 2005

Madam Chairman and Members of the Committee:

The Secretary of State appreciates the opportunity to appear today to brief the committee and answer questions relating to SB 37, a bill requested by our office.

The bill appears to contain several new provisions; however, it is important to note that this bill is a reconciliation bill intended to reconcile two bills passed last year. The first bill was SB 29, proposed by the Kansas Bar Association to update the corporate code, which included amendments to annual reports. The second is House Substitute for SB 147, which was passed late in the session amending franchise taxes, which are contained in the same statutory sections as annual reports.

My testimony does not address any of the provisions that are merely reconciled. The balance of the bill contains cleanup provisions recommended by the Secretary of State during the interim committee's study of the franchise tax and franchise fee last fall. The Secretary of State requested the following amendments, which are contained in SB 37:

1. Elimination of Extensions. Current law allows a business entity to file an extension to extend the period of time to file the annual report and pay the franchise fee. Generally, business entities file extensions so they will have more time to prepare their financial statements and balance sheets for both income taxes and the franchise tax. The new franchise fee paid to the Secretary of State is a flat fee of \$40—it is no longer based on net worth. Because calculating the entity's net worth is no longer necessary, the need for an extension becomes unnecessary. Eliminating extensions frees up staff time for other customer services, and more importantly, the franchise fee is deposited to the state general fund at an earlier date. SB 37 would eliminate extensions from the law.

Section 3(c) and 16(g) contain language from last year's bill, which keeps confidential the copies of extensions currently filed with the Secretary of State. Because SB 37 eliminates extensions, this language will need to be modified to relate only to previous extensions that are on record with the Secretary of State (see attached amendment).

2. Financial Condition Reported on Annual Reports. The current law contains several provisions saying that an entity files an annual report "showing its financial condition." Because

the annual report no longer lists any financial information, this obsolete provision is deleted from the law in SB 37.

3. Change Name from Franchise Fee to Annual Report Fee. SB 37 also replaces references to the franchise fee with the term “annual report fee.” We believe a different name will prevent confusion between the “franchise tax” paid to the Department of Revenue, and the “franchise fee” paid when the annual report is submitted to the Secretary of State.

4. Elimination of Balance Sheets. SB 37 also eliminates balance sheets from the annual reports filed by business trusts and cooperatives. Balance sheets were removed from annual reports for other business entities in 1997. SB 37 removes balance sheets from these entities’ reports to create uniformity and consistency among all business entity annual reports.

I appreciate the opportunity to appear today and would be happy to answer questions.

Melissa A. Wangemann, Legal Counsel
Deputy Assistant Secretary of State

Amend following sections of bill:

Section 3(c) of SB 37. ~~When any business trust that is required to file an annual report with the secretary of state, applies for an extension of time for filing its annual income tax return with the internal revenue service, the time for filing the annual report with the secretary of state shall be extended, correspondingly, upon filing a copy of the application to income tax authorities with the secretary of state, prior to the due date of its annual report. All such copies of applications for extension of the time for filing income tax returns shall be maintained by the secretary of state in a confidential file and shall not be disclosed to any person except as authorized pursuant to the provisions of K.S.A. 79-3234 and amendments thereto, a proper judicial order and subsection (d). [Rest of statute remains]~~

Section 16(g) of SB 37. ~~When any limited liability company that is required to file an annual report with the secretary of state applies for an extension of time for filing its annual income tax return with the internal revenue service, the time for filing the annual report with the secretary of state shall be extended, correspondingly, upon filing a copy of the application to income tax authorities with the secretary of state, prior to the due date of its annual report. All such copies of applications for extension of the time for filing income tax returns filed shall be maintained by the secretary of state in a confidential file and shall not be disclosed to any person except as authorized pursuant to the provisions of K.S.A. 79-3234, and amendments thereto, a proper judicial order, or subsection (h). [Rest of statute remains]~~

Add to bill:

K.S.A. 17-7514. Annual reports; extension of time for filing; confidentiality. (a) ~~Whenever any corporation which is required to file an annual report with the secretary of state shall apply for an extension of time for filing its annual income tax return from the internal revenue service, the time for filing the annual report with the secretary of state shall be extended, correspondingly, upon filing with the secretary of state, prior to the due date of its annual report, a copy of the application to income tax authorities. All such copies of applications for extension of the time for filing income tax returns filed on or after December 31, 1978, shall be maintained by the secretary of state in a confidential file and shall not be disclosed to any person except as authorized pursuant to the provisions of K.S.A. 79-3234 and amendments thereto and subsection (c). All copies of such applications shall be preserved for one year and thereafter until the secretary of state orders that they be destroyed.~~

(b) ~~Except in accordance with subsection (c) or a proper judicial order, it shall be unlawful for the secretary of state or any other officer, employee, former officer or former employee of this state to disclose any information contained in copies of federal extensions of time to file income tax returns. Nothing in this section shall be deemed to prohibit the secretary of state or any officer or employee of the office of secretary of state from issuing any of the corporate documents described in K.S.A. 17-7506 and amendments thereto.~~

(c) ~~All copies of such applications shall be open to inspection by or disclosure to: (1) Any person designated by resolution of the corporation's board of directors or other similar governing body; (2) any officer or employee of such corporation upon written request signed by any principal officer and attested to by the secretary or other officer; or (3) any bona fide shareholder of record owning 1% or more of the outstanding stock of such corporation.~~

K.S.A. 56-1a610. (a) ~~When any limited partnership that is required to file an annual report with the secretary of state shall apply for an extension of time for filing its annual income tax return with the internal revenue service, the time for filing the annual report with the~~

~~secretary of state shall be extended, correspondingly, upon filing a copy of the application to income tax authorities with the secretary of state, prior to the due date of its annual report. All such copies of applications for extensions of the time for filing income tax returns shall be maintained by the secretary of state in a confidential file and shall not be disclosed to any person except as authorized pursuant to the provisions of K.S.A. 79-3234 and amendments thereto, a proper judicial order, and subsection (b). All copies of such applications shall be preserved for one year and thereafter until the secretary of state orders that they be destroyed. Nothing in this section shall be deemed to prohibit the secretary of state from issuing any document described in K.S.A. 56-1a605, and amendments thereto, concerning a limited partnership. [Rest of statute remains]~~

K.S.A. 56a-1204. (a) ~~When any limited liability partnership that is required to file an annual report with the secretary of state, shall apply for an extension of time for filing its annual income tax return from the internal revenue service, the time for filing the annual report with the secretary of state shall be extended, correspondingly, upon filing a copy of the application to income tax authorities with the secretary of state, prior to the due date of its annual report. All such copies of applications for extension of the time for filing income tax returns shall be maintained by the secretary of state in a confidential file and shall not be disclosed to any person except as authorized pursuant to the provisions of K.S.A. 79-3234 and amendments thereto, a proper judicial order, and subsection (b). All copies of such applications shall be preserved for one year and thereafter until the secretary of state orders that they be destroyed. [Rest of statute remains]~~

Legislative Testimony

SB 37

Thursday, January 27, 2005

**Testimony before the Kansas Senate Assessment and Taxation Committee
By Marlee Carpenter, Vice President of Government Affairs**

Chairman Allen and members of the Committee;

The Kansas Chamber has some concerns with SB 37 and the subsidiary language that was included to require additional reporting requirements for subsidiary ownership. First, this is an interim committee bill and there is no mention of the addition of the subsidiary language in the interim committee report. I have attached a copy of the interim committee report.

Second, as passed last session, the franchise tax is to be paid to the Kansas Department of Revenue and a fee paid to the Secretary of State's Office. The subsidiary language change would require a subsidiary report to go to the Secretary of State's Office. Some companies have a tiered structure that includes many subsidiaries and this type of reporting would be an administrative headache. Currently, this information is already provided to the Department of Revenue on a similar schedule for companies when they file a combine income tax return. This would be duplicative reporting and add to the administrative burden of filing this tax.

Finally, we would like to offer a very minor amendment. On line 32 of page 6 and line 41 of page 9 the requirement has been added for officers to be identified by name and address. The addition of the address is a new requirement. We would request that the word "business" be inserted before the word address so officers report their business address. Many companies have a standard policy to not give out personal addresses of their officers. We would request this change so there is no confusion.

The Kansas business community urges you to remove the additional subsidiary reporting that is required to be given to the Secretary of State's Office and add the word "business" on page 6 line 41 and page 9 line 32 to clarify the new reporting requirements of the officer's address. Thank you for your time and I will be happy to answer any questions.

The Kansas Chamber, with headquarters in Topeka, is the statewide business advocacy group moving Kansas towards becoming the best state in America to do business. The Kansas Chamber and its affiliate organization, The Kansas Chamber Federation, have more than 10,000 member businesses, including local and regional chambers of commerce and trade organizations. The Chamber represents small, medium and large employers all across Kansas.

Assessment & Taxation
Date 01-27-05
Attachment # 2



**THE KANSAS
CHAMBER**

The Force for Business

835 SW Topeka Blvd.

Topeka, KS 66612-1671

785-357-6321

Fax: 785-357-4732

E-mail: info@kansaschamber.org

www.kansaschamber.org

Special Committee on Assessment and Taxation

CONFIDENTIALITY AND DISCLOSURE OF TAX INFORMATION

CONCLUSIONS AND RECOMMENDATIONS

The Committee endorses a compromise proposal presented by the Department of Revenue regarding the relaxation of certain confidentiality provisions.

Proposed Legislation: The Committee recommends the introduction of one bill on this topic.

BACKGROUND

During the 2004 Session, officials from the Department of Revenue supported the introduction of bills (HB 2744 and SB 477) that would have relaxed, under certain specific circumstances, existing statutory requirements relating to confidentiality of tax information and the disclosure of such information to specific entities and individuals.

The bills' major provisions included language authorizing:

- the Department to release information on sales or other excise tax license other than tax identification numbers so as to make it easier for the public to determine if businesses are registered with the state;
- the Secretary of Revenue to provide specific income, sales, excise, or privilege taxpayer information to the Governor, Secretary of Commerce, or any legislator if such information was relevant to determining the fiscal impact of an introduced legislative proposal (Such persons would have then become subject to the same confidentiality restrictions and penalties as revenue department personnel);
- the Department to share information with a number of other state agencies relating to the administration of specific taxes and fees, including the Secretary of Health and

Environment (environmental surcharge and solvent fees); the Department of Agriculture and Director of the Kansas Water Office (water protection fee); and the Secretary of Commerce (enterprise zone exemptions and income tax credits);

- the Department to provide cities and counties with distribution reports of all taxes, not simply sales and transient guest;
- the Department to publish specific statistical reports in their entirety rather than excluding certain localities or business segments with a limited number of entries; and
- the Department to publish limited information from liquor license applications, liquor brand registrations, and cigarette and tobacco license applications.

Proponents for the legislation in addition to the Department included the Kansas Association of Counties; the Kansas Water Office; and Kansas Action for Children. An official from the Kansas Chamber appeared in opposition.

During the public hearings, a number of amendments were suggested, including two by the Department of Revenue. One was a technical amendment clarifying that licensing information obtained through the

administration of various liquor and tobacco laws could continue to be released to criminal justice agencies (as under current law). A second proposed amendment would have added legislative staff to the persons eligible to receive certain previously confidential information relative to introduced legislative proposals. A conferee from the Kansas Association of Counties suggested an amendment that would authorize the release of certain information to "the budget official designated by the governing body" in addition to city or county clerks or treasurers. A conferee from the Kansas Action for Children requested amendments authorizing the Secretary of Revenue to make public specific taxpayer information relevant for determining the fiscal impact of legislative proposals when such proposals would decrease state revenues by more than \$20 million.

The Senate Committee of the Whole on March 26 amended the provisions of SB 477 into SB 395. The entire SB 395 was subsequently adopted by the Senate on a final action vote of 30-10. The House Committee on Economic Development created a substitute bill, H Sub SB 395, and removed the confidentiality and disclosure provisions from the legislation. Since the issue had been approved by the Senate, the subject matter was discussed briefly during the tax conference committee before being recommended for interim study. The Legislative Coordinating Council therefore directed the Special Committee to study the various issues associated with the proposal, including the suggested amendments, and make whatever recommendations are deemed appropriate to the 2005 Legislature.

COMMITTEE ACTIVITIES

At the September meeting, staff went over the history of the legislation and the Committee conducted a new public hearing. Secretary of Revenue Joan Wagnon went over the rationale behind the various provisions in the bills. A representative of the Kansas Chamber again appeared in opposition.

Conferees from the Kansas Association of Counties and the League of Kansas Municipalities supported the provisions that provided for additional disclosure for local officials. Kansas Action for Children also submitted testimony in support of both bills. A conferee from KPERS also suggested an additional amendment allowing them to examine W-2 payroll information filed by KPERS employees. The Chairman appointed a subcommittee to work with the Department and various conferees in an effort to prepare a compromise bill draft for consideration.

The subcommittee met in October and received a report from Department officials on the progress of the discussions. At that time, Secretary Wagnon said that the Kansas Chamber had agreed to a number of the bill's original provisions but had refused to support provisions allowing the release of license information regarding whether retailers are registered for sales and other excise tax purposes; the release of information to the Secretary of Commerce and Kansas, Inc. regarding enterprise zone sales tax exemption applications and the amount of tax credits claimed for purposes of evaluating the effectiveness of tax credit programs; the release of certain information via the publication of specific statistical reports in their entirety; and the release of a list of corporations claiming certain income tax credits. Representative Huff, chairman of the subcommittee, instructed the interested parties to keep working towards compromise and to have a bill draft ready to submit to the full Committee in November.

Also in October, the Department presented information analyzing corporation income tax receipts and the tax burden by sector given a number of the exemptions and credits available under current law. In that information, the Department noted what the US Supreme Court has said about various tax breaks, written by Justice Rehnquist for a unanimous Court:

Both tax exemptions and tax-deductibility are a form of subsidy that is administered through the tax system. A tax exemption has much the same effect as a cash grant to the organization of the amount of tax it would have to pay on its income. Deductible contributions are similar to cash grants of the amount of a portion of the individual's contributions. *Regan vs. Taxation With Representation of Washington*, 461 U.S. 540, 544 (1983)

In late October, the Chairman received a letter from Senator Nick Jordan noting that the Joint Committee on Economic Development had voted to strongly urge that the provisions authorizing the release of the sales tax exemption and income tax credit information to the Secretary of Commerce and Kansas, Inc. The letter stated that without the information, "Kansas, Inc. is unable to perform an effective cost-benefit analysis of the business tax incentive programs, and the Department of Commerce is hampered in evaluating its effectiveness in marketing those incentive programs."

At the November meeting, a conferee from the Department of Revenue presented a draft proposal for consideration by the Committee of a compromise that had been negotiated with the Kansas Chamber and other interested parties.

CONCLUSIONS AND RECOMMENDATIONS

The Committee endorses the compromise proposal regarding the relaxation of certain confidentiality provisions and recommends its enactment by the 2005 Legislature.

Among the major provisions of the legislation are provisions authorizing:

- the Department to provide cities and counties (including finance officers) with distribution reports of all taxes, not simply sales and transient guest;

- the Department to publish limited information from liquor license applications, liquor brand registrations, and cigarette and tobacco license applications;
- the Department to disclose otherwise confidential liquor or tobacco information to criminal justice agencies or law enforcement officers in conjunction with pending investigations;
- the Department to share information with a number of other state agencies relating to the administration of specific taxes and fees, including the Secretary of Health and Environment (environmental surcharge and solvent fees); the Department of Agriculture and Director of the Kansas Water Office (water protection fee); and the Secretary of Commerce (enterprise zone sales tax exemptions and project exemption certificates);
- the Department to release to retailers tax exemption information for the purpose of verifying the authenticity of tax exemption numbers issued by the state;
- the Department to disclose to the Secretary of Commerce certain taxpayer information relating to information previously submitted by taxpayers relative to certain tax credits for the purpose of verifying and evaluating the effectiveness of tax credit programs;
- the Department to provide certain information to the KPERS executive director regarding W-2 payroll information filed by KPERS employees; and
- the repeal of a statute requiring Kansas, Inc. to prepare an annual report of the cost effectiveness of economic development tax credits and incentives.



K A N S A S

JOAN WAGNON, SECRETARY

DEPARTMENT OF REVENUE
OFFICE OF THE SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

January 27, 2005

Testimony to the Senate Committee on Assessment and Taxation
Joan Wagnon

Senate Bill 13

Senator Allen, Chair, and Members of the Committee:

Senate Bill 13 was recommended by the Special Committee on Assessment and Taxation and reflects the result of negotiation and compromise between the department and the business community. It would amend the confidentiality laws to enhance the department's ability to share certain taxpayer information with local governments to improve collection efforts. It would expand the department's ability to share relevant information with other state agencies concerning taxes or fees those agencies have involvement with. It would also enable the department to share certain taxpayer information with the Department of Commerce, in order to facilitate that Department of Commerce's administration of certain tax credit programs.

Senate Bill 13 would amend several confidentiality provisions associated with tax returns, reports and investigations and licensing applications. This proposal will allow the department to uniformly apply the confidentiality provisions to all excise tax types while balancing the legitimate need for information derived from these records with the intent to keep such information confidential. The proposal will also relocate existing language concerning exceptions to the confidentiality requirements, making the exceptions easier to locate.

The proposed substantive changes would expand access to tax and/or license related information as follows:

- The department may disclose to the Secretary of Commerce copies of applications for enterprise zone project exemption certificate applications, and may further provide specific income, excise, or privilege taxpayer information related to financial information previously submitted by the taxpayer to the Secretary of Commerce concerning tax credit programs, for purposes of verifying such information or evaluating the effectiveness of tax credit programs administered by the Secretary of Commerce. The persons receiving the information would be subject to the same confidentiality restrictions and penalties as department of revenue employees.

- The department may share information with the following state agencies for the purpose of administering a specific tax and/or fee:
 - Secretary of Health and Environment: environmental surcharge or solvent fee
 - Secretary of the State Board of Agriculture: water protection fee
 - Secretary of the Kansas Water Office: water protection fee
 - Secretary of Commerce: enterprise zone exemptions and income tax credits
 - Executive Director of Kansas Public Employees Retirement System (KPERs): income tax information to determine whether an individual's reported compensation is in compliance with KPERs laws.
- The department may provide city/county clerks/treasurers or finance officers with reports of the distributions made to their respective city or county from any excise tax type, not just retailer's sales and transient guest.
- The department may publish limited information from liquor license applications, liquor brand registrations, and cigarette and tobacco license applications.
- The department can verify to retailers the sales tax exemption numbers issued by the department to sales tax-exempt entities and used when such entities make exemption claims on their purchases.

We encourage your support for this bill.



League of Kansas Municipalities

Date: January 27, 2005
To: Senate Committee on Assessment and Taxation
From: Larry R. Baer
Assistant General Counsel
Re: SB 13 - Testimony in Support

Thank you for allowing me to appear before you today on behalf of the League of Kansas Municipalities and its member cities to present testimony in support of SB 13.

SB 13 clarifies and broadens the scope of information that can be shared between state agencies and others relating to the collection, payment and enforcement of tax collections. This includes giving the Department of Revenue the authority to share much more detailed information on retailers doing business in the city or sourcing taxable sales to the city and confirming whether or not a retailer is registered with the state. Similar types of information could also be furnished to cities, upon request, for alcohol sales.

Receipt of additional, detailed tax payment information will be beneficial to cities and counties. It allows better information to verify tax distributions and to help with the preparation of revenue projections during the budget process. By receiving information identified to a specific retailer, a city or county can better track its sources of sales and use tax revenues and what effect, if any, destination sourcing and local use tax is having on its revenue stream. As with anything, the more information that is available the easier it is to plan.

There have been times when cities have had questions as to whether or not they were receiving the proper payments from the State. This should help to alleviate some of these concerns. A city could track revenue from specific sources and see whether or not collections from specific segments of their retailers were steady, climbing or declining.

Of course, the concepts presented in these bills also has the effect of strengthening the collection powers of KDOR. This is important not only to the State, but to local government as well.

It is noted that SB 13 has added "finance officer" to the list of local government officials that would have been permitted to receive information under 2004 HB 2744. This addition was necessary because many local governments do have budget or finance officers who are involved in the budgetary process with a need to access such information. The League supports this additional language and would encourage the broadening of it to include "finance, budget officers or other such officers or employees of cities or counties".

Admittedly, the concepts contained in SB 13 represent a change in policy. We believe it is a policy change for the betterment of the State of Kansas and cities and counties. It should create some efficiencies at the State level. It will provide for more information being received at the local level which will assist in local planning. In general it would be strengthening the partnership between KDOR and local government. For these reasons the League of Kansas Municipalities supports the confidentiality and disclosure of tax information embodied in SB 13.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
ASSESSMENT AND TAXATION**

January 27, 2005

Thank you, Chairperson Allen, and members of the Committee. The Kansas Public Employees Retirement System is respectfully before you today as a proponent of Senate Bill 13. KPERS supports the language in SB 13 that allows it access to the Department of Revenue's database to examine W-2 payroll information filed by KPERS employers. Please note that KPERS is not interested in examining individual income tax returns of its members. KPERS believes access to W-2 payroll information with regard to its members will aid in the verification of the following:

That KPERS' affiliated employers are in compliance with the Retirement Act at K.S.A. 74-4901 et seq. with regard to enrolling members properly.

Audits conducted by KPERS' field auditor have brought to light the fact that some employers fail to enroll their employees in KPERS in a timely manner. When KPERS discovers members who have not been enrolled at the appropriate time, the employer must then file paperwork to correct the error and subsequently enroll these employees retroactively. This creates an arrearage of employee and employer contributions, including interest, that can be substantial, and is borne entirely by the employer if the arrearage is six months or older. See K.S.A. 74-4990. Early discovery of such compliance problems could preclude large arrearage obligations later.

That KPERS' affiliated employers are reporting proper contribution amounts to KPERS.

KPERS audits have found that some employers are not remitting contributions on the total payroll. Employers are not including supplemental pay (e.g., coaching, summer jobs) when remitting contributions. Failure to report the appropriate amount of contributions may lead to an employer arrearage, as well as create incorrect records in determining the appropriate retirement benefits for the member.

That employers are in compliance with regard to earnings limitations placed on employees who retire and return to work for the same employer.

K.S.A. 74-4914(5) limits the dollar amount that a retiree can earn after returning to work for the same employer. This statute also provides authority to the Secretary of Revenue to supply information to the KPERS Executive Director by stating, "Upon request of the executive director of the system, the secretary of revenue shall provide such information as may be needed by the executive director to carry out the provisions of this act." K.S.A. 74-4914(5). However, because the Retirement System is not specifically mentioned in K.S.A. 79-3234, the Secretary of Revenue does not fully possess the authority to comply with this statute.

KPERS supports the language in SB 13 that will allow the Secretary of Revenue to provide KPERS with access to such information to ensure compliance with its Act.

Laurie McKinnon
General Counsel
Kansas Public Employees Retirement System

Assessment & Taxation
Date 01-27-05
Attachment # 6



KANSAS
ASSOCIATION OF
COUNTIES

WRITTEN TESTIMONY
concerning SB 13
Confidentiality of Tax Information
Submitted by Randall Allen
Senate Committee on Assessment and Taxation
January 27, 2005

Madam Chair and members of the committee, I appreciate the opportunity to submit written testimony in support of certain aspects of SB 13, concerning the confidentiality of tax information maintained by the Kansas Department of Revenue.

Last year, we testified in support of HB 2744, a bill which provided a way for city or county clerks or treasurers to request monthly reports identifying each retailer doing business in that city or county or making sales sourced to such city or county under the destination-based sourcing rules, along with the amount of tax remitted during the preceding month and identifying each business location maintained by the retailer. The purpose of the release of such information to the local officials and their staffs was to verify that the locations sourced by the retailer are, in fact, within the correct jurisdiction and to identify potential errors for the Department of Revenue to pursue and correct, as necessary.

The Kansas Department of Revenue (KDOR), as a state agency, cannot possibly know every geographical feature of a city or county. As such, local authorities who work with their taxpayers on a day-to-day basis can give enormous assistance to KDOR for purposes of follow-up and compliance with the law. Obviously, for every tax dollar due and owing that is collected, the less burden there will be on the remaining tax base. We would anticipate that the occasional miscoding of an address to an incorrect jurisdiction would also be identified through this process, which means that the distributions would be even fairer.

The sharing of this information carries with it an obligation of the local official to use such information only for the purposes defined in law (i.e. verifying distributions and/or preparing revenue projections). This is a serious obligation and it is therefore appropriate that a penalty be imposed in the event such information is inappropriately released. We are pleased that SB 13 envisions the release of such information to the chief budget or finance official of a city or county, as designated by the governing body of the city or county, since the county clerk or county treasurer may not be the person (or office) charged with preparing or administering budgets in behalf of the jurisdiction. Rather, it might be delegated to a finance director, or chief financial officer, or someone with another title. This accommodation has been made in SB 13.

We urge the committee to act favorably on SB 13 and recommend the bill favorably for passage. Thank you.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its members. Inquiries concerning this testimony can be directed to Randall Allen or Judy Moler at the KAC by calling (785) 272-2585.

300 SW 8th Avenue
3rd Floor
Topeka, KS 66603-3912
785•272•2585
Fax 785•272•3585

Assessment & Taxation
Date 01-27-05
Attachment # 7

Testimony on SB 13
The Senate Committee on Assessment & Taxation

Matt Jordan
Director of Operations
Department of Commerce

January 27, 2005

Chairperson Allen and members of the committee, I am Matt Jordan and, on behalf of the Department of Commerce, it is a pleasure to appear before you today to discuss Senate Bill 13. Commerce worked with the Department of Revenue and the Kansas Chamber to draft this bill. We believe the measures contained therein provide important new tools to allow Commerce the ability to better monitor and evaluate the effectiveness of its tax credit programs.

Currently, Commerce must rely upon various mechanisms to verify fulfillment of financial agreements with companies. While considerable staff resources are dedicated to this effort, the options available to Commerce rely upon voluntary participation by companies to a large degree. If they choose not to comply with reporting requirements, punitive mechanisms are available, but their use involves significant negative consequences to Commerce.

Therefore, Commerce welcomes the opportunity to find alternative, more effective, ways to audit financial agreements. The ability to receive from Revenue information related to specific conditions of Commerce agreements is a more desirable option. It would provide Commerce a more efficient way to gain this information, reduce the reporting requirements placed upon companies to the state of Kansas, and help limit the need for multiple agencies to conduct audit activities on the same company.

Please understand that Commerce understands the information covered under this bill is very sensitive to the company and deserves strong confidentiality protections. Commerce regularly collects and maintains this sensitive information during the front end of the process in determining whether a project is eligible for an incentive program. Moreover, Commerce appreciates the need for the confidentiality measures placed on information collected by Revenue and will comply with them if entrusted with this new information sharing opportunity.

Commerce and Revenue have discussed ways to ensure commitments made by the State to companies are upheld by all agencies. At the beginning of an incentive agreement, the State makes a commitment for financial incentives to companies based on specific job creation and capital investment information. Revenue conducts audits on those agreements at the end of an agreement, which in many cases are years later. Both agencies have identified the inability to share this specific financial information as a contributing factor behind the problems associated with fulfillment of agreements. Thus, this bill helps improve the quality of communication between the agencies and the ability to monitor the use of tax credits.

I wish to thank the Committee for its time and now stand ready for questions.

Assessment & Taxation
Date 01-27-05
Attachment # 8

ISSUES



MANAGEMENT GROUP, INC.

TESTIMONY

SENATE ASSESSMENT AND TAXATION COMMITTEE

January 27, 2005

Mr. Chairman and Members of the Committee. My name is Bud Burke.

Thank you for the opportunity to appear on behalf of the City of Olathe in support of SB 13.

The City of Olathe has requested the assistance of the Department of Revenue on many occasions when it found instances where retailers had either paid the sales tax collected on behalf of the wrong city or had avoided the payment of taxes altogether.

Because of our confidentiality statutes the Department has been prohibited from sharing the appropriate information with the local units of government.

(2)

The City of Olathe, by ordinance, has adopted the same confidentiality requirements that are currently in place by the State. These provisions will ensure that the confidential tax information held by the State will remain confidential.

There are a number of examples of situations where the tax was credited to the wrong city but one example that became obvious was a retailer in Olathe which opened in a TIF district. When the tax revenue did not show up in Olathe after 8 months, a call to the Store manager revealed that he simply copied the information from the Overland Park store where he previously worked into the sales tax form. This form indicated that the store was in Overland Park and the receipts were sent to them instead of Olathe.

In two other examples, the State determined that neither a used car dealer nor a lawn machinery store had paid any sales tax to the State, one of them for a period of five years.

We believe that the State and the Local Government are partners in collecting the appropriate level of taxes owed and should have the ability to share information to verify.

We support those provisions of SB13 that permit the sharing of that information with local units of government.

Thank you again.

Bud Burke



**THE KANSAS
CHAMBER**

The Force for Business

835 SW Topeka Blvd.

Topeka, KS 66612-1671

785-357-6321

Fax: 785-357-4732

E-mail: info@kansaschamber.org

www.kansaschamber.org

Legislative Testimony

SB 13

Thursday, January 27, 2005

**Testimony before the Kansas Senate Assessment and Taxation Committee
By Marlee Carpenter, Vice President of Government Affairs**

Chairman Allen and members of the Committee;

The Kansas Chamber, during the summer and fall, has worked with the Kansas Department of Revenue and the Kansas Department of Commerce on the compromise language that you see is SB 13. This language was reached after many meetings with both Revenue and Commerce and at this time, the business community does not have any problems with the passage of SB 13.

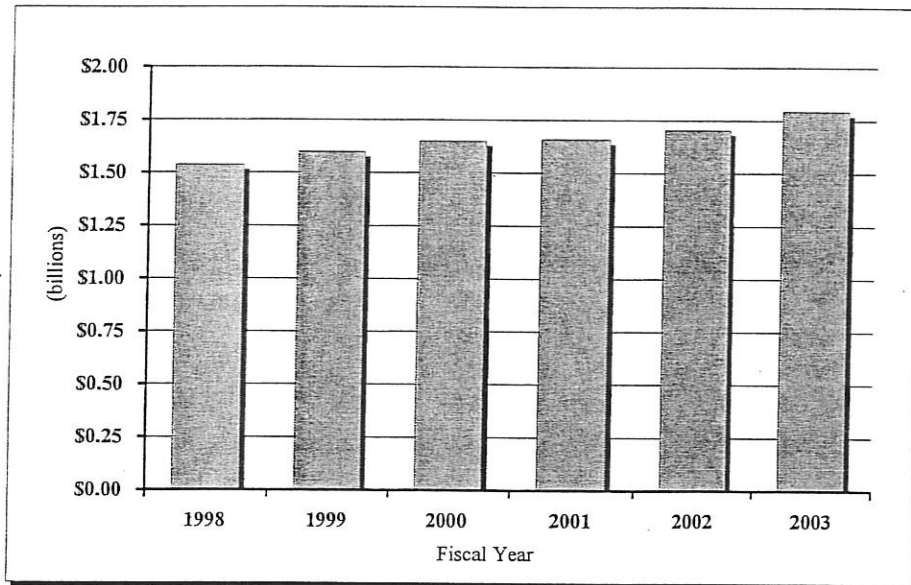
Thank you for your time and I will be happy to answer any questions.

The Kansas Chamber, with headquarters in Topeka, is the statewide business advocacy group moving Kansas towards becoming the best state in America to do business. The Kansas Chamber and its affiliate organization, The Kansas Chamber Federation, have more than 10,000 member businesses, including local and regional chambers of commerce and trade organizations. The Chamber represents small, medium and large employers all across Kansas.

Assessment & Taxation
Date 01-27-05
Attachment # 10

State Retailers' Sales and Compensating Use Taxes Amount to State General Fund

Statewide retailers' sales and compensating use taxes are applied to the sale of tangible personal property, and to specified services at retail. The compensating use tax includes consumers' use, retailers' use, and auto lease tax. The present state retailers' sales and compensating tax rate is 5.3%, effective July 1, 2002.



<u>Fiscal Year</u>	<u>State Sales</u>	<u>State Use</u>	<u>State Total</u>	<u>Percent Change</u>
1998	\$1,351,590,569	\$185,088,031	\$1,536,678,600	5.3%
1999	\$1,398,527,376	\$200,015,052	\$1,598,542,428	9.7%
2000	\$1,440,295,399	\$209,966,001	\$1,650,261,400	4.0%
2001	\$1,423,059,270	\$235,893,258	\$1,658,952,528	3.2%
2002	\$1,470,606,510	\$233,603,728	\$1,704,210,238	0.5%
2003	\$1,567,721,762	\$225,923,323	\$1,793,645,085	5.2%

Total Amount State Sales Tax Collections by County

Fiscal Year 2002 - 4.9% state sales tax rate; Fiscal Year 2003 - 5.3% state sales tax rate.

County	FY2002	FY2003	Percent Change	FY2002 Per Capita*	FY2002 PC Rank*	FY2003 Per Capita*	FY2003 PC Rank*
Allen	\$4,901,650	\$5,376,251	9.7%	\$345.36	42	\$377.70	35
Anderson	\$2,557,894	\$2,571,791	0.5%	\$312.32	57	\$315.67	57
Atchison	\$5,215,769	\$5,951,927	14.1%	\$312.56	56	\$356.77	43
Barber	\$2,091,968	\$2,158,438	3.2%	\$405.18	28	\$424.47	31
Barton	\$16,291,656	\$16,797,835	3.1%	\$585.82	10	\$605.48	11
Bourbon	\$5,396,181	\$5,429,598	0.6%	\$351.06	40	\$357.89	42
Brown	\$3,139,797	\$3,186,706	1.5%	\$295.37	61	\$303.47	61
Butler	\$20,904,179	\$21,381,421	2.3%	\$347.28	41	\$353.21	44
Chase	\$517,353	\$544,568	5.3%	\$170.57	97	\$185.86	94
Chautauqua	\$617,839	\$674,145	9.1%	\$144.69	103	\$160.13	102
Cherokee	\$4,513,626	\$4,744,948	5.1%	\$202.11	89	\$216.14	87
Cheyenne	\$830,040	\$791,933	-4.6%	\$266.55	69	\$253.58	74
Clark	\$397,371	\$381,450	-4.0%	\$167.60	98	\$160.14	101
Clay	\$2,859,256	\$2,949,413	3.2%	\$325.99	47	\$338.86	49
Cloud	\$4,545,170	\$4,759,960	4.7%	\$455.20	22	\$479.25	22
Coffey	\$2,829,939	\$2,838,651	0.3%	\$321.04	52	\$318.88	56
Comanche	\$544,846	\$579,588	6.4%	\$277.84	64	\$291.98	63
Cowley	\$13,014,777	\$13,297,113	2.2%	\$362.24	35	\$365.03	40
Crawford	\$15,928,459	\$16,658,799	4.6%	\$419.98	26	\$437.79	26
Decatur	\$735,203	\$678,284	-7.7%	\$214.22	84	\$199.09	92
Dickinson	\$7,113,202	\$7,250,631	1.9%	\$371.35	34	\$378.74	34
Doniphan	\$1,232,269	\$1,237,307	0.4%	\$148.41	102	\$150.62	104
Douglas	\$50,948,959	\$54,880,054	7.7%	\$509.46	16	\$536.38	16
Edwards	\$654,453	\$673,344	2.9%	\$196.83	91	\$201.78	91
Elk	\$651,640	\$613,102	-5.9%	\$204.34	88	\$195.38	93
Ellis	\$19,364,439	\$21,147,518	9.2%	\$710.70	4	\$775.37	4
Ellsworth	\$1,644,009	\$1,581,470	-3.8%	\$253.39	74	\$246.41	77
Finney	\$22,513,269	\$22,967,195	2.0%	\$561.68	13	\$578.05	13
Ford	\$17,593,102	\$18,127,157	3.0%	\$544.44	15	\$554.99	14
Franklin	\$9,988,178	\$10,797,923	8.1%	\$400.44	30	\$426.42	29
Geary	\$10,802,194	\$11,459,724	6.1%	\$403.08	29	\$433.92	28
Gove	\$1,074,282	\$1,056,792	-1.6%	\$357.14	37	\$353.21	45
Graham	\$1,185,880	\$1,209,354	2.0%	\$416.83	27	\$424.78	30
Grant	\$4,406,452	\$4,340,538	-1.5%	\$565.65	12	\$549.78	15
Gray	\$1,642,216	\$1,565,269	-4.7%	\$276.19	66	\$258.94	71
Greeley	\$411,717	\$390,589	-5.1%	\$273.93	67	\$265.35	70
Greenwood	\$1,692,531	\$1,873,445	10.7%	\$217.80	83	\$244.80	78
Hamilton	\$788,299	\$769,871	-2.3%	\$295.13	62	\$289.64	64
Harper	\$2,047,851	\$2,327,983	13.7%	\$323.26	49	\$370.82	38
Harvey	\$14,489,792	\$15,118,016	4.3%	\$438.67	25	\$452.97	23
Haskell	\$1,036,732	\$1,167,270	12.6%	\$241.94	77	\$272.03	68
Hodgeman	\$308,050	\$359,989	16.9%	\$143.01	104	\$167.51	99
Jackson	\$4,140,746	\$4,381,734	5.8%	\$324.97	48	\$343.91	48
Jefferson	\$2,859,184	\$2,968,902	3.8%	\$153.64	100	\$159.07	103
Jewell	\$580,404	\$587,948	1.3%	\$161.63	99	\$168.23	98
Johnson	\$390,944,173	\$415,348,019	6.2%	\$840.64	1	\$871.60	1
Kearny	\$786,369	\$783,548	-0.4%	\$172.37	96	\$172.47	97
Kingman	\$2,284,723	\$2,275,989	-0.4%	\$268.41	68	\$270.11	69
Kiowa	\$935,683	\$1,020,265	9.0%	\$298.75	60	\$328.38	52
Labette	\$7,637,662	\$7,767,141	1.7%	\$339.71	43	\$348.60	47
Lane	\$430,326	\$443,204	3.0%	\$205.80	86	\$221.60	83
Leavenworth	\$19,476,820	\$21,594,278	10.9%	\$277.21	65	\$305.05	59
Lincoln	\$687,020	\$655,858	-4.5%	\$193.69	93	\$185.17	95
Linn	\$1,890,438	\$2,154,990	14.0%	\$195.19	92	\$222.76	82
Logan	\$1,136,240	\$1,086,291	-4.4%	\$384.25	32	\$362.34	41
Lyon	\$17,015,008	\$17,947,186	5.5%	\$478.49	17	\$499.87	18
Marion	\$3,311,351	\$3,371,021	1.8%	\$246.69	75	\$254.46	73
Marshall	\$3,833,784	\$4,027,728	5.1%	\$355.90	38	\$380.58	33
McPherson	\$13,649,339	\$13,128,569	-3.8%	\$460.85	20	\$446.35	24
Meade	\$1,085,574	\$1,101,971	1.5%	\$233.61	79	\$238.52	80
Miami	\$9,690,342	\$10,738,313	10.8%	\$336.70	44	\$371.52	36
Mitchell	\$3,024,846	\$3,216,781	6.3%	\$446.27	23	\$480.62	21
Montgomery	\$16,270,291	\$16,977,260	4.3%	\$458.06	21	\$480.85	20

11-2

Total Amount State Sales Tax Collections by County

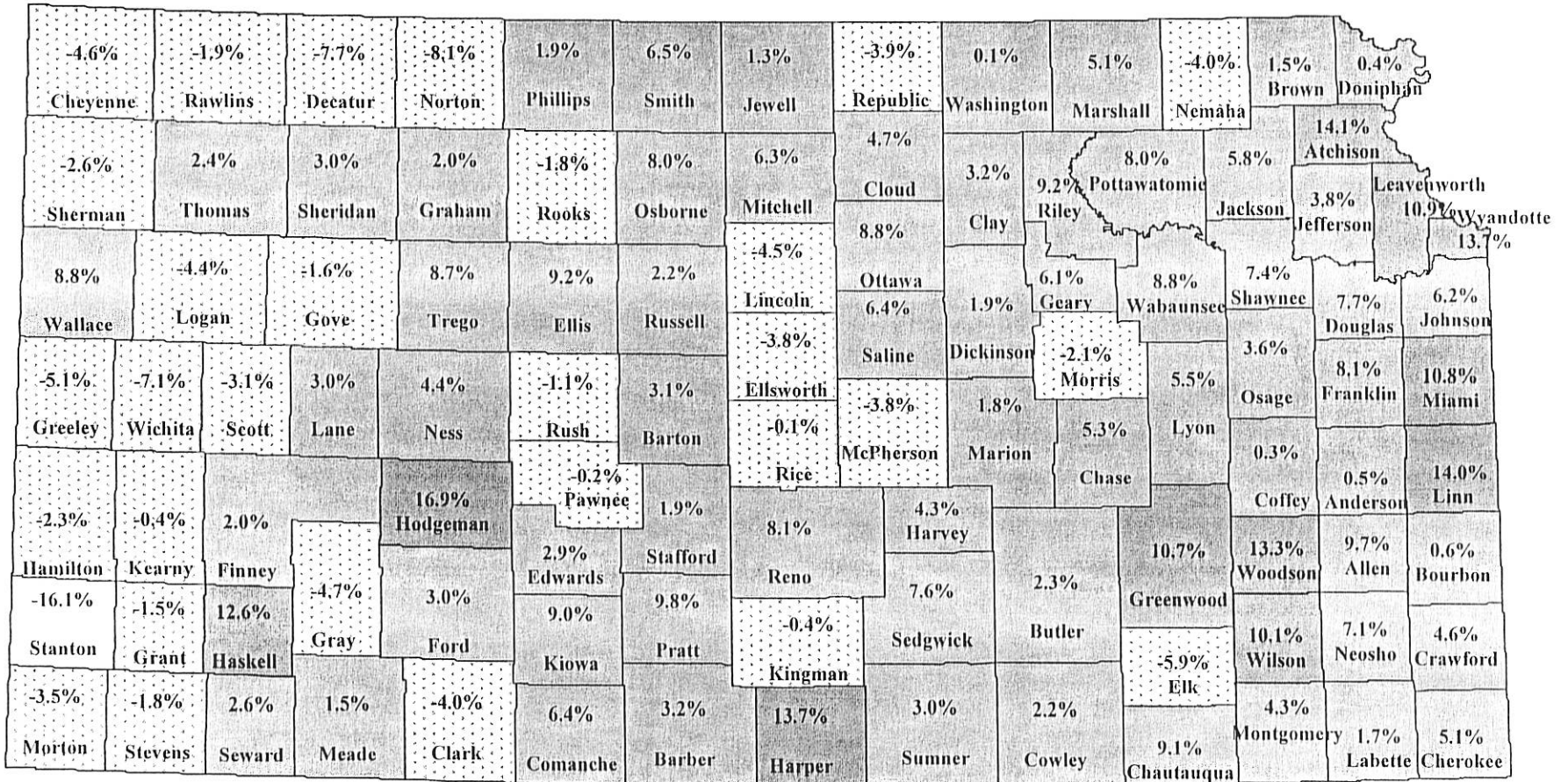
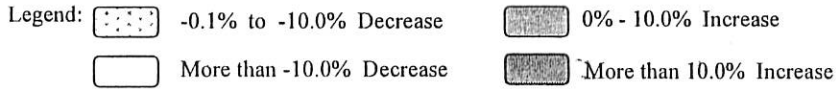
Fiscal Year 2002 - 4.9% state sales tax rate; Fiscal Year 2003 - 5.3% state sales tax rate.

County	FY2002	FY2003	Percent Change	FY2002 Per Capita*	FY2002 PC Rank*	FY2003 Per Capita*	FY2003 PC Rank*
Morris	\$1,893,929	\$1,854,901	-2.1%	\$309.87	58	\$304.98	60
Morton	\$1,291,379	\$1,246,539	-3.5%	\$381.50	33	\$370.99	37
Nemaha	\$3,326,946	\$3,192,811	-4.0%	\$316.37	55	\$305.15	58
Neosho	\$7,815,943	\$8,374,779	7.1%	\$466.37	18	\$503.35	17
Ness	\$1,550,348	\$1,619,061	4.4%	\$464.18	19	\$488.26	19
Norton	\$1,938,925	\$1,781,183	-8.1%	\$331.95	45	\$302.97	62
Osage	\$3,390,178	\$3,511,653	3.6%	\$200.57	90	\$207.45	90
Osborne	\$1,376,627	\$1,486,724	8.0%	\$316.83	54	\$350.97	46
Ottawa	\$944,509	\$1,027,961	8.8%	\$152.59	101	\$163.45	100
Pawnee	\$2,234,406	\$2,229,616	-0.2%	\$320.16	53	\$320.99	54
Phillips	\$1,943,783	\$1,980,629	1.9%	\$330.97	46	\$337.36	50
Pottawatomie	\$14,328,379	\$15,474,580	8.0%	\$781.43	2	\$836.96	2
Pratt	\$5,497,185	\$6,033,671	9.8%	\$575.98	11	\$632.39	8
Rawlins	\$647,832	\$635,740	-1.9%	\$222.01	81	\$220.21	85
Reno	\$35,341,929	\$38,215,242	8.1%	\$550.18	14	\$599.08	12
Republic	\$1,626,475	\$1,562,807	-3.9%	\$288.08	63	\$285.81	66
Rice	\$2,695,086	\$2,691,219	-0.1%	\$254.54	73	\$256.28	72
Riley	\$21,765,297	\$23,766,831	9.2%	\$360.54	36	\$386.58	32
Rooks	\$1,806,161	\$1,772,834	-1.8%	\$321.72	51	\$322.80	53
Rush	\$628,262	\$621,296	-1.1%	\$180.12	95	\$177.92	96
Russell	\$2,528,890	\$2,583,563	2.2%	\$352.90	39	\$366.20	39
Saline	\$39,592,803	\$42,144,743	6.4%	\$738.04	3	\$781.76	3
Scott	\$2,213,304	\$2,144,845	-3.1%	\$442.48	24	\$435.68	27
Sedgwick	\$294,887,778	\$317,343,644	7.6%	\$647.37	5	\$686.98	5
Seward	\$14,343,241	\$14,711,735	2.6%	\$639.35	6	\$637.64	7
Shawnee	\$108,453,734	\$116,448,491	7.4%	\$637.66	7	\$681.99	6
Sheridan	\$705,368	\$726,201	3.0%	\$258.76	72	\$274.97	67
Sherman	\$4,010,640	\$3,905,012	-2.6%	\$614.38	8	\$610.35	10
Smith	\$1,179,767	\$1,256,633	6.5%	\$265.95	70	\$287.89	65
Stafford	\$972,211	\$990,815	1.9%	\$204.46	87	\$212.53	89
Stanton	\$624,761	\$523,882	-16.1%	\$259.45	71	\$217.38	86
Stevens	\$1,733,150	\$1,702,769	-1.8%	\$322.21	50	\$319.35	55
Sumner	\$6,128,490	\$6,309,739	3.0%	\$238.01	78	\$247.12	76
Thomas	\$4,922,651	\$5,041,628	2.4%	\$609.24	9	\$623.04	9
Trego	\$965,455	\$1,048,988	8.7%	\$302.18	59	\$334.07	51
Wabaunsee	\$906,947	\$986,385	8.8%	\$132.54	105	\$146.89	105
Wallace	\$391,623	\$426,229	8.8%	\$229.56	80	\$251.91	75
Washington	\$1,351,169	\$1,352,698	0.1%	\$213.76	85	\$215.71	88
Wichita	\$625,193	\$580,587	-7.1%	\$246.33	76	\$232.05	81
Wilson	\$2,249,721	\$2,477,293	10.1%	\$219.81	82	\$244.24	79
Woodson	\$713,819	\$808,470	13.3%	\$189.95	94	\$220.41	84
Wyandotte	\$61,783,709	\$70,258,336	13.7%	\$392.37	31	\$443.74	25
Total Counties	\$1,444,420,816	\$1,537,097,119		\$536.03		\$565.97	
Miscellaneous	\$7,881,062	\$8,476,588					
Grand Total	\$1,452,301,878	\$1,545,573,707	6.4%				

*Population based upon figures certified to the Secretary of State by the Division of the Budget on July 1, 2003. Figures might not add from rounding.

State Sales Tax Collection, Percent Change by County

This map shows the Fiscal Year 2003 state sales tax collection percentage change over Fiscal Year 2002, by county. Total statewide percent change was 6.4%. Effective July 1, 2002, Fiscal Year 2003, the state sales tax rate increased from 4.9% to 5.3%.

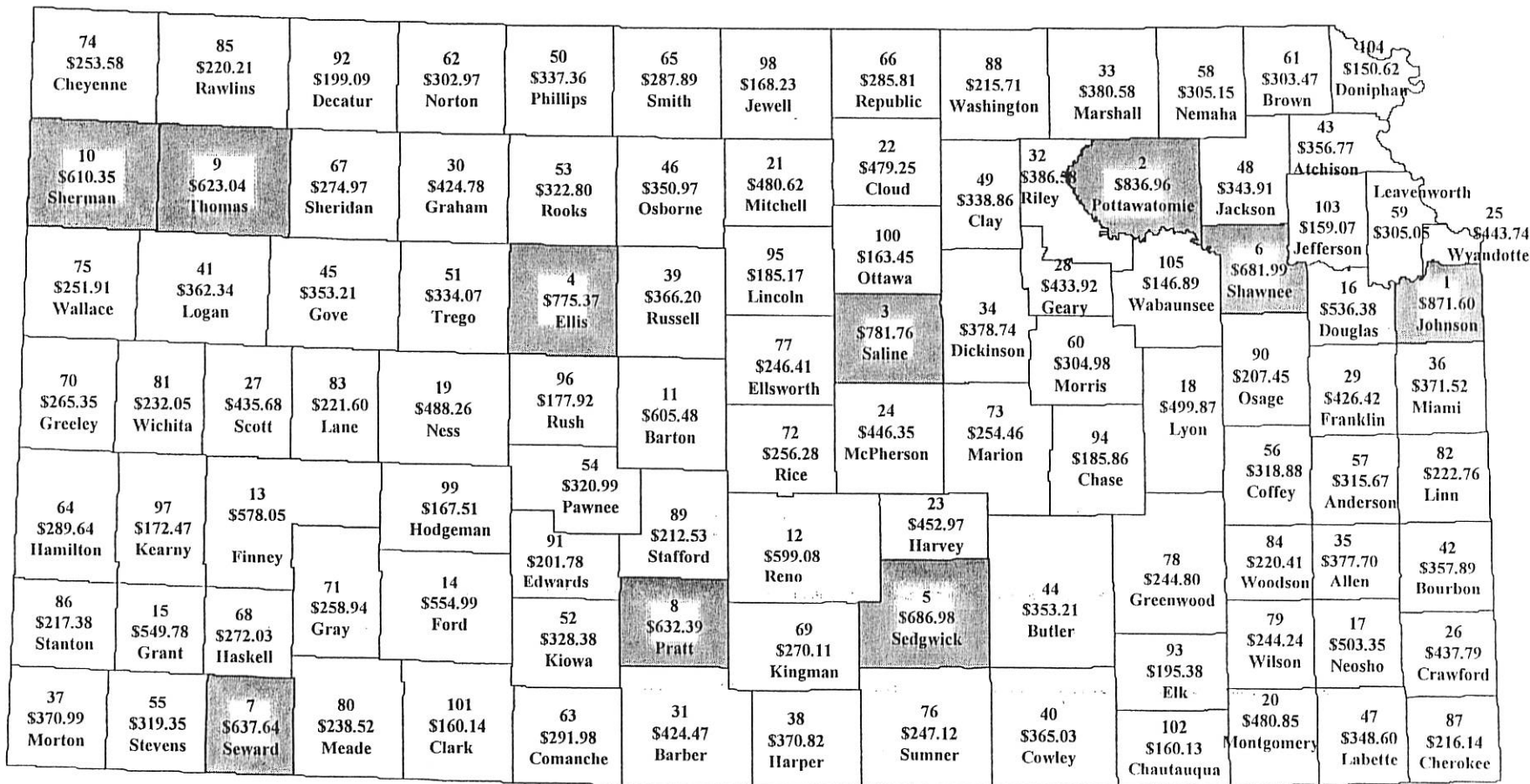


11-4

State Sales Tax Per Capita, with Rank by County

This map shows the Fiscal Year 2003 state sales tax paid per person, by county. The per capita figures are computed by dividing the sales tax collections for each county by its population. A high per capita figure may indicate either a high level of spending by each resident, or a high level of spending in the county by nonresidents or tourists. The shaded areas represent the ten highest per capita counties in the state. Major metropolitan areas such as Johnson, Sedgwick, and Shawnee counties have high ratios because of their many large shopping centers and high level of tourism.

Legend:  Top 10 Counties



Revised historical data is available upon request.

Total State Sales Tax Collection by Standard Industrial Classification

Fiscal Year 2002 - 4.9% state sales tax rate; Fiscal Year 2003 - 5.3% state sales tax rate.

In 2002, the Department converted from the Standard Industrial Classification System (SIC) to the North American Industry Classification System (NAICS). Some of the sizable percent changes are due to the conversion to NAICS.

<u>North American Industry Classification</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Percent Change</u>
11 Agriculture, Forestry, Fishing and Hunting			
111 Crop Production	\$ 766,980	\$ 809,055	5.5%
112 Animal Production	\$ 55,231	\$ 94,715	71.5%
114 Fishing, Hunting and Trapping	\$ 236,992	\$ 245,842	3.7%
115 Agriculture and Forestry Support Activities	\$ 163,743	\$ 210,282	28.4%
2-digit Total	\$ 1,222,946	\$ 1,359,894	11.2%
21 Mining			
211 Oil and Gas Extraction	\$ 149,509	\$ 290,741	94.5%
212 Mining (except Oil and Gas)	\$ 1,552,662	\$ 1,566,661	0.9%
213 Support Activities for Mining	\$ 4,281,323	\$ 4,611,567	7.7%
2-digit Total	\$ 5,983,493	\$ 6,468,969	8.1%
22 Utilities			
221 Utilities	\$ 35,446,731	\$ 41,090,299	15.9%
2-digit Total	\$ 35,446,731	\$ 41,090,299	15.9%
23 Construction			
236 Construction of Buildings	\$ 4,267,647	\$ 4,496,662	5.4%
237 Heavy and Civil Engineering Construction	\$ 8,893,482	\$ 7,948,433	-10.6%
238 Specialty Trade Contractors	\$ 27,901,028	\$ 30,591,972	9.6%
2-digit Total	\$ 41,062,157	\$ 43,037,067	4.8%
31-33 Manufacturing			
311 Food Mfg	\$ 1,787,742	\$ 2,242,825	25.5%
312 Beverage and Tobacco Product Mfg	\$ 178,954	\$ 732,196	309.2%
313 Textile Mills	\$ 50,243	\$ 84,847	68.9%
314 Textile Product Mills	\$ 318,422	\$ 280,863	-11.8%
315 Apparel Mfg	\$ 222,307	\$ 164,415	-26.0%
316 Leather and Allied Product Mfg	\$ 10,671	\$ 13,968	30.9%
321 Wood Product Mfg	\$ 2,218,740	\$ 2,264,085	2.0%
322 Paper Mfg	\$ 903,562	\$ 807,131	-10.7%
323 Printing and Related Support Activities	\$ 5,946,169	\$ 5,967,150	0.4%
324 Petroleum and Coal Products Mfg	\$ 2,803,083	\$ 2,198,185	-21.6%
325 Chemical Mfg	\$ 2,319,994	\$ 3,109,098	34.0%
326 Plastics and Rubber Products Mfg	\$ 294,001	\$ 489,620	66.5%
327 Nonmetallic Mineral Product Mfg	\$ 10,835,448	\$ 10,992,373	1.4%
331 Primary Metal Mfg	\$ 241,841	\$ 383,860	58.7%
332 Fabricated Metal Product Mfg	\$ 2,793,353	\$ 2,329,433	-16.6%
333 Machinery Mfg	\$ 1,341,403	\$ 1,858,964	38.6%
334 Computer and Electronic Product Mfg	\$ 810,563	\$ 1,069,552	32.0%
335 Electrical Equipment & Appliance Mfg	\$ 270,809	\$ 280,482	3.6%
336 Transportation Equipment Mfg	\$ 5,292,459	\$ 5,356,765	1.2%
337 Furniture and Related Product Mfg	\$ 1,817,138	\$ 1,894,696	4.3%
339 Miscellaneous Mfg	\$ 1,206,647	\$ 1,522,680	26.2%
2-digit Total	\$ 41,663,547	\$ 44,043,187	5.7%
42 Wholesale Trade			
423 Merchant Wholesalers, Durable Goods	\$ 58,978,815	\$ 60,828,576	3.1%
424 Merchant Wholesalers, Nondurable Goods	\$ 17,234,730	\$ 19,386,101	12.5%
425 Electronic Markets and Agents and Brokers	\$ 6,838,967	\$ 4,853,864	-29.0%
2-digit Total	\$ 83,052,512	\$ 85,068,542	2.4%

Total State Sales Tax Collection by Standard Industrial Classification

Fiscal Year 2002 - 4.9% state sales tax rate; Fiscal Year 2003 - 5.3% state sales tax rate.

In 2002, the Department converted from the Standard Industrial Classification System (SIC) to the North American Industry Classification System (NAICS). Some of the sizable percent changes are due to the conversion to NAICS.

<u>North American Industry Classification</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Percent Change</u>
44-45 Retail Trade			
441 Motor Vehicle and Parts Dealers	\$ 206,558,533	\$ 220,861,941	6.9%
442 Furniture and Home Furnishings Stores	\$ 30,401,182	\$ 31,454,300	3.5%
443 Electronics and Appliance Stores	\$ 31,897,334	\$ 33,647,697	5.5%
444 Building Material and Garden Supply Stores	\$ 77,830,620	\$ 83,990,297	7.9%
445 Food and Beverage Stores	\$ 129,155,170	\$ 143,855,721	11.4%
446 Health and Personal Care Stores	\$ 12,852,556	\$ 12,042,665	-6.3%
447 Gasoline Stations	\$ 35,053,067	\$ 29,345,344	-16.3%
448 Clothing and Clothing Accessories Stores	\$ 40,812,546	\$ 43,619,555	6.9%
451 Sporting Goods, Hobby, Book, & Music Stores	\$ 27,557,160	\$ 32,653,124	18.5%
452 General Merchandise Stores	\$ 235,373,601	\$ 253,220,633	7.6%
453 Miscellaneous Store Retailers	\$ 38,232,675	\$ 42,721,214	11.7%
454 Nonstore Retailers	\$ 8,584,714	\$ 12,725,922	48.2%
2-digit Total	\$ 874,309,158	\$ 940,138,412	7.5%
48-49 Transportation and Warehousing			
481 Air Transportation	\$ 115,711	\$ 91,065	-21.3%
482 Rail Transportation	Confidential	Confidential	
483 Water Transportation	Confidential	Confidential	
484 Truck Transportation	\$ 961,823	\$ 1,184,065	23.1%
485 Transit and Ground Passenger Transportation	\$ 7,225	\$ 8,143	12.7%
486 Pipeline Transportation	Confidential	\$ 159,570	
487 Scenic and Sightseeing Transportation	Confidential	Confidential	
488 Support Activities for Transportation	\$ 1,121,416	\$ 1,041,328	-7.1%
491 Postal Service	Confidential	Confidential	
492 Couriers and Messengers	\$ 54,893	\$ 43,946	-19.9%
493 Warehousing and Storage	\$ 513,978	\$ 642,635	25.0%
2-digit Total	\$ 2,813,229	\$ 3,177,961	13.0%
51 Information			
511 Publishing Industries (except Internet)	\$ 4,242,577	\$ 5,052,801	19.1%
512 Motion Picture & Sound Recording Industries	\$ 4,314,415	\$ 4,880,166	13.1%
515 Broadcasting (except Internet)	\$ 8,048,354	\$ 11,486,641	42.7%
516 Internet Publishing and Broadcasting	Confidential	\$ 2,281	
517 Telecommunications	\$ 98,431,549	\$ 99,691,361	1.3%
518 ISPs, Search Portals, and Data Processing	\$ 386,669	\$ 587,375	51.9%
519 Other Information Services	Confidential	\$ 41,921	
2-digit Total	\$ 115,461,542	\$ 121,742,546	5.4%
52 Finance and Insurance			
521 Monetary Authorities - Central Bank	Confidential	Confidential	
522 Credit Intermediation and Related Activities	\$ 5,122,916	\$ 2,974,011	-41.9%
523 Securities and Commodity Contract Brokerage	\$ 308,339	\$ 519,975	68.6%
524 Insurance Carriers and Related Activities	\$ 64,951	\$ 322,382	396.3%
525 Funds, Trusts, and Other Financial Vehicles	Confidential	Confidential	
2-digit Total	\$ 5,496,205	\$ 3,825,302	-30.4%
53 Real Estate and Rental and Leasing			
531 Real Estate	\$ 517,709	\$ 631,480	22.0%
532 Rental and Leasing Services	\$ 20,283,386	\$ 22,466,952	10.8%
2-digit Total	\$ 20,801,095	\$ 23,098,433	11.0%

Total State Sales Tax Collection by Standard Industrial Classification

Fiscal Year 2002 - 4.9% state sales tax rate; Fiscal Year 2003 - 5.3% state sales tax rate.

In 2002, the Department converted from the Standard Industrial Classification System (SIC) to the North American Industry Classification System (NAICS). Some of the sizable percent changes are due to the conversion to NAICS.

<u>North American Industry Classification</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Percent Change</u>
54 Professional and Technical Services			
541 Professional and Technical Services	\$ 9,835,692	\$ 9,766,911	-0.7%
2-digit Total	\$ 9,835,692	\$ 9,766,911	-0.7%
55 Management of Companies and Enterprises			
551 Management of Companies and Enterprises	\$ 297,921	\$ 1,034,366	247.2%
2-digit Total	\$ 297,921	\$ 1,034,366	247.2%
56 Administrative and Waste Services			
561 Administrative and Support Services	\$ 15,763,110	\$ 15,548,814	-1.4%
562 Waste Management and Remediation Services	\$ 469,627	\$ 309,587	-34.1%
2-digit Total	\$ 16,232,737	\$ 15,858,401	-2.3%
61 Educational Services			
611 Educational Services	\$ 3,411,965	\$ 3,758,415	10.2%
2-digit Total	\$ 3,411,965	\$ 3,758,415	10.2%
62 Health Care and Social Assistance			
621 Ambulatory Health Care Services	\$ 1,192,193	\$ 829,067	-30.5%
622 Hospitals	\$ 1,159,663	\$ 1,161,930	0.2%
623 Nursing and Residential Care Facilities	\$ 67,305	\$ 70,493	4.7%
624 Social Assistance	\$ 467,735	\$ 501,109	7.1%
2-digit Total	\$ 2,886,896	\$ 2,562,599	-11.2%
71 Arts, Entertainment, and Recreation			
711 Performing Arts and Spectator Sports	\$ 2,230,839	\$ 1,979,210	-11.3%
712 Museums, Historical Sites, Zoos, and Parks	\$ 381,038	\$ 387,769	1.8%
713 Amusement, Gambling, and Recreation	\$ 11,134,530	\$ 13,312,771	19.6%
2-digit Total	\$ 13,746,407	\$ 15,679,749	14.1%
72 Accommodation and Food Services			
721 Accommodation	\$ 16,601,284	\$ 17,093,226	3.0%
722 Food Services and Drinking Places	\$ 106,127,216	\$ 113,474,714	6.9%
2-digit Total	\$ 122,728,500	\$ 130,567,940	6.4%
81 Other Services (except Public Administration)			
811 Repair and Maintenance	\$ 30,903,447	\$ 33,535,493	8.5%
812 Personal and Laundry Services	\$ 9,800,797	\$ 10,489,846	7.0%
813 Membership Associations and Organizations	\$ 3,635,607	\$ 2,726,117	-25.0%
814 Private Households	\$ 213,194	\$ 26,202	-87.7%
2-digit Total	\$ 44,553,045	\$ 46,777,657	5.0%
92 Public Administration			
921 Executive, Legislative, & General Government	\$ 6,195,900	\$ 1,572,660	-74.6%
922 Justice, Public Order, and Safety Activities	\$ 2,855,795	\$ 578,471	-79.7%
923 Administration of Human Resource Programs	Confidential	Confidential	
924 Administration of Environmental Programs	\$ 36,156	\$ 39,407	9.0%
926 Administration of Economic Programs	\$ 165,431	\$ 235,979	42.6%
928 National Security and International Affairs	Confidential	Confidential	
2-digit Total	\$ 9,253,281	\$ 2,427,053	-73.8%
99 Unclassified Establishments			
999 Unclassified Establishments	\$ 2,043,472	\$ 4,090,003	100.1%
2-digit Total	\$ 2,043,472	\$ 4,090,003	100.1%
Grand Total	\$ 1,452,302,533	\$ 1,545,573,707	6.4%

Local Sales Tax Rates, Effective Dates and Collections Issued for FY 2002 and FY 2003

Beginning in FY 1999, the revised reports reflect the amount that was issued to the taxing entity during the fiscal year versus the amount distributed based on receipt month.

<u>County/City</u>	<u>Tax Rate</u>	<u>Effective Date</u>	<u>Fiscal Year 2002</u>	<u>Fiscal Year 2003</u>	<u>Percent Change</u>
Allen County	1.00%	10/01/94	\$1,185,928	\$1,226,446	3.4%
Gas	1.00%	01/01/91	\$43,258	\$50,643	17.1%
Humboldt	0.50%	01/01/82	\$51,483	\$49,478	-3.9%
Iola	1.00%	01/01/90	\$841,535	\$859,422	2.1%
Moran	0.50%	07/01/84	\$17,288	\$17,458	1.0%
Anderson County	1.00%	01/01/83	\$617,079	\$598,033	-3.1%
Garnett	0.50%	01/01/99	\$241,644	\$230,726	-4.5%
Kincaid	1.00%	07/01/99	\$4,512	\$4,274	-5.3%
Atchison County	1.50%	07/01/98	\$1,867,867	\$1,926,651	3.1%
Atchison	1.00%	08/01/83	\$1,067,561	\$1,115,895	4.5%
Effingham	1.00%	11/01/83	\$30,497	\$27,964	-8.3%
Barber County	1.00%	02/01/83	\$518,632	\$472,780	-8.8%
Hardtner	0.00%	01/01/02	\$7,584	\$0	N/A
Kiowa	1.00%	01/01/01	\$90,952	\$80,939	-11.0%
Medicine Lodge	0.50%	07/01/91	\$159,463	\$153,627	-3.7%
Barton County	1.25%	04/01/03	\$3,886,931	\$3,697,523	N/A
Great Bend	0.50%	04/01/00	\$1,417,499	\$1,322,093	-6.7%
Bourbon County	1.00%	07/01/01	\$1,092,630	\$1,251,576	14.5%
Bronson	1.00%	01/01/97	\$15,158	\$11,920	-21.4%
Fort Scott	1.00%	01/01/84	\$1,132,536	\$1,082,635	-4.4%
Brown County	1.00%	11/01/82	\$775,122	\$763,220	-1.5%
Hiawatha	0.50%	04/01/03	\$441,772	\$433,312	-1.9%
Horton	1.00%	07/01/87	\$105,511	\$104,015	-1.4%
Butler County					
Andover	1.00%	01/01/01	\$820,280	\$862,257	5.1%
Augusta	0.50%	10/01/91	\$438,690	\$412,323	-6.0%
Benton	1.00%	10/01/99	\$32,154	\$35,696	11.0%
Douglass	1.00%	01/01/95	\$87,693	\$84,886	-3.2%
El Dorado	1.00%	10/01/89	\$1,728,171	\$1,672,212	-3.2%
Rose Hill	1.00%	10/01/00	\$132,257	\$123,139	-6.9%
Towanda	1.00%	07/01/95	\$61,330	\$67,954	10.8%
Chase County	1.00%	01/01/99	\$179,080	\$147,180	-17.8%
Cottonwood Falls	1.00%	01/01/91	\$52,525	\$52,216	-0.6%
Strong City	1.50%	01/01/99	\$115,845	\$50,021	-56.8%
Chautauqua County	1.00%	02/01/83	\$178,720	\$182,107	1.9%
Cedar Vale	1.00%	10/01/97	\$22,598	\$20,073	-11.2%
Sedan	0.50%	11/01/81	\$43,516	\$43,823	0.7%
Cherokee County	1.50%	01/01/03	\$1,139,775	\$1,272,916	NA
Baxter Springs	1.00%	07/01/85	\$307,397	\$317,242	3.2%
Columbus	1.00%	07/01/97	\$407,695	\$401,579	-1.5%
Galena	1.00%	07/01/84	\$128,852	\$128,487	-0.3%
Scammon	1.00%	04/01/88	\$15,800	\$15,748	-0.3%
Weir	1.00%	11/01/84	\$27,194	\$28,915	6.3%
Cheyenne County	2.00%	07/01/96	\$468,942	\$436,916	-6.8%
Clark County					
Minneola	1.00%	07/01/99	\$28,804	\$27,643	-4.0%
Clay County	1.00%	01/01/01	\$689,413	\$692,541	0.5%
Clay Center	1.00%	11/01/84	\$568,043	\$566,810	-0.2%
Longford	1.00%	01/01/89	\$6,035	\$6,218	3.0%
Wakefield	1.00%	11/01/82	\$23,037	\$25,314	9.9%
Cloud County	1.00%	01/01/01	\$1,063,847	\$1,036,835	-2.5%
Concordia	1.00%	02/01/83	\$877,823	\$870,561	-0.8%
Glasco	1.00%	07/01/83	\$18,417	\$19,620	6.5%
Miltonvale	1.00%	07/01/87	\$31,447	\$27,066	-13.9%
Comanche County					
Coldwater	1.00%	07/01/98	\$84,760	\$79,675	-6.0%
Protection	1.00%	01/01/99	\$36,897	\$36,516	-1.0%
Cowley County					
Arkansas City	1.00%	04/01/85	\$1,386,817	\$1,300,839	-6.2%
Burden	1.00%	01/01/96	\$18,767	\$23,274	24.0%
Winfield	1.00%	11/01/84	\$1,390,388	\$1,336,772	-3.9%

Local Sales Tax Rates, Effective Dates and Collections Issued for FY 2002 and FY 2003

Beginning in FY 1999, the revised reports reflect the amount that was issued to the taxing entity during the fiscal year versus the amount distributed based on receipt month.

<u>County/City</u>	<u>Tax Rate</u>	<u>Effective Date</u>	<u>Fiscal Year 2002</u>	<u>Fiscal Year 2003</u>	<u>Percent Change</u>
Crawford County	1.00%	07/01/01	\$4,196,630	\$3,734,430	-11.0%
Arma	0.50%	11/01/82	\$44,376	\$43,678	-1.6%
Frontenac	1.00%	01/01/95	\$382,892	\$350,883	-8.4%
Girard	1.00%	01/01/01	\$261,327	\$215,744	-17.4%
Pittsburg	0.50%	10/01/99	\$1,314,996	\$1,307,060	-0.6%
Decatur County	1.00%	11/01/84	\$216,614	\$189,763	-12.4%
Dickinson County	1.00%	07/01/97	\$1,704,944	\$1,604,371	-5.9%
Abilene	0.75%	10/01/00	\$780,401	\$726,513	-6.9%
Herington	1.00%	10/01/00	\$176,596	\$169,279	-4.1%
Doniphan County	1.00%	10/01/94	\$367,807	\$358,704	-2.5%
Elwood	1.00%	11/01/84	\$98,658	\$93,167	-5.6%
Douglas County	1.00%	01/01/95	\$11,714,705	\$11,886,158	1.5%
Baldwin City	1.00%	07/01/91	\$234,825	\$250,805	6.8%
Eudora	0.50%	11/01/82	\$84,827	\$87,067	2.6%
Lawrence	1.00%	10/01/90	\$10,730,359	\$10,876,300	1.4%
Edwards County	1.00%	11/01/83	\$178,249	\$171,900	-3.6%
Elk County	1.00%	11/01/82	\$187,150	\$165,656	-11.5%
Ellis County					
Ellis	1.00%	11/01/83	\$103,088	\$109,350	6.1%
Hays	1.00%	04/01/03	\$5,900,749	\$5,875,624	NA
Ellsworth County	0.50%	01/01/97	\$212,232	\$199,836	-5.8%
Ellsworth	1.25%	07/01/00	\$336,645	\$312,293	-7.2%
Kanopolis	1.00%	07/01/85	\$23,415	\$19,506	-16.7%
Wilson	1.00%	09/01/83	\$44,430	\$43,132	-2.9%
Finney County	0.75%	07/01/95	\$3,922,807	\$3,711,413	-5.4%
Garden City	1.00%	07/01/94	\$4,233,509	\$4,130,921	-2.4%
Ford County	1.00%	10/01/97	\$4,062,366	\$4,054,800	-0.2%
Dodge City	1.00%	10/01/97	\$3,727,106	\$3,695,598	-0.8%
Franklin County	1.50%	01/01/93	\$3,547,347	\$3,553,543	0.2%
Ottawa	0.60%	07/01/01	\$1,054,502	\$1,098,783	4.2%
Pomona	1.00%	07/01/99	\$35,651	\$37,547	5.3%
Princeton	0.50%	07/01/95	\$5,034	\$5,556	10.4%
Wellsville	0.50%	01/01/93	\$51,019	\$50,132	-1.7%
Williamsburg	1.00%	10/01/96	\$13,139	\$15,227	15.9%
Geary County	1.25%	04/01/93	\$3,063,242	\$3,078,964	0.5%
Grandview Plaza	1.00%	04/01/99	\$42,635	\$40,104	-5.9%
Junction City	1.00%	11/01/82	\$2,229,249	\$2,239,717	0.5%
Gove County	1.00%	11/01/84	\$296,792	\$273,622	-7.8%
Grinnell	0.50%	01/01/03		\$2,769	NA
Graham County					
Hill City	1.00%	07/01/85	\$188,700	\$187,036	-0.9%
Morland	1.00%	10/01/96	\$9,452	\$10,068	6.5%
Grant County					
Ulysses	1.00%	11/01/83	\$716,541	\$666,200	-7.0%
Gray County	1.00%	02/01/83	\$472,788	\$422,841	-10.6%
Greeley County	1.00%	11/01/82	\$117,854	\$101,871	-13.6%
Greenwood County	1.00%	07/01/95	\$451,549	\$447,833	-0.8%
Eureka	0.00%	07/01/95	\$40	\$0	NA
Hamilton County	0.50%	01/01/93	\$101,687	\$94,472	-7.1%
Syracuse	1.00%	06/01/84	\$148,419	\$141,967	-4.3%
Harper County					
Harper	1.00%	01/01/01	\$165,818	\$221,439	33.5%
Anthony	1.50%	01/01/01	\$342,334	\$335,810	-1.9%
Harvey County	1.00%	07/01/86	\$3,421,663	\$3,300,208	-3.5%
Haskell County	0.50%	01/01/83	\$142,313	\$143,158	0.6%
Satanta	0.50%	01/01/87	\$39,642	\$46,816	18.1%
Sublette	0.50%	01/01/83	\$53,905	\$55,959	3.8%
Jackson County	1.00%	07/01/94	\$1,022,836	\$1,011,506	-1.1%
Holton	0.25%	01/01/95	\$196,701	\$191,662	-2.6%

Local Sales Tax Rates, Effective Dates and Collections Issued for FY 2002 and FY 2003

Beginning in FY 1999, the revised reports reflect the amount that was issued to the taxing entity during the fiscal year versus the amount distributed based on receipt month.

County/City	Tax Rate	Effective Date	Fiscal Year		Percent Change
			2002	2003	
Jefferson County	2.00%	01/01/94	\$783,694	\$801,130	2.2%
Perry	0.50%	07/01/81	\$40,419	\$38,077	-5.8%
Jewell County	1.00%	02/01/83	\$163,150	\$157,354	-3.6%
Johnson County	1.100%	01/01/03	\$83,389,916	\$80,722,922	NA
De Soto	1.75%	07/01/02	\$239,210	\$407,823	NA
Edgerton	1.00%	07/01/85	\$35,696	\$38,117	6.8%
Fairway	1.00%	07/01/86	\$319,957	\$292,685	-8.5%
Gardner	1.00%	01/01/89	\$793,516	\$851,542	7.3%
Leawood	1.125%	07/01/00	\$4,427,724	\$4,399,142	-0.6%
Lenexa	1.125%	10/01/00	\$11,720,434	\$11,106,968	-5.2%
Merriam	1.25%	01/01/01	\$6,199,947	\$5,827,251	-6.0%
Mission	1.25%	10/01/02	\$2,121,564	\$2,615,704	NA
Olathe	1.125%	04/01/00	\$20,637,277	\$21,094,858	2.2%
Overland Park	1.125%	04/01/99	\$35,879,471	\$36,875,784	2.8%
Prairie Village	1.00%	02/01/84	\$1,922,305	\$1,833,595	-4.6%
Roeland Park	1.25%	04/01/03	\$1,083,293	\$1,022,365	NA
Shawnee	1.125%	07/01/85	\$8,108,671	\$8,222,260	1.4%
Spring Hill	1.00%	02/01/84	\$290,725	\$288,616	-0.7%
Westwood	1.00%	02/01/84	\$223,377	\$196,040	-12.2%
Westwood Hills	1.00%	02/01/84	\$15,135	\$17,913	18.4%
Kearny County					
Deerfield	1.00%	10/01/94	\$21,824	\$20,179	-7.5%
Lakin	1.00%	07/01/83	\$134,211	\$130,126	-3.0%
Kingman County					
Spivey	0.50%	01/01/79	\$28,676	\$22,197	-22.6%
Kiowa County	1.00%	11/01/82	\$240,952	\$244,587	1.5%
Labette County	1.25%	07/01/01	\$2,155,140	\$2,255,728	4.7%
Altamont	1.00%	07/01/99	\$53,658	\$45,503	-15.2%
Chetopa	1.50%	01/01/02	\$93,092	\$119,162	28.0%
Edna	1.00%	01/01/89	\$25,498	\$27,211	6.7%
Oswego	1.00%	07/01/95	\$116,079	\$118,728	2.3%
Parsons	1.00%	01/01/97	\$1,394,984	\$1,316,807	-5.6%
Lane County					
Dighton	1.00%	07/01/83	\$88,414	\$90,627	2.5%
Leavenworth County	1.00%	01/01/97	\$4,636,090	\$4,835,236	4.3%
Basehor	1.00%	10/01/95	\$77,440	\$91,946	18.7%
Easton	1.00%	07/01/85	\$12,903	\$10,722	-16.9%
Lansing	1.00%	01/01/89	\$598,060	\$620,584	3.8%
Leavenworth	1.00%	03/01/85	\$3,209,170	\$3,341,271	4.1%
Linwood	1.00%	04/01/03		\$494	NA
Tonganoxie	1.00%	07/01/89	\$321,497	\$311,800	-3.0%
Lincoln County	1.00%	02/01/83	\$190,108	\$172,410	-9.3%
Linn County					
La Cygne	1.00%	10/01/88	\$86,200	\$104,837	21.6%
Mound City	1.00%	07/01/93	\$95,526	\$92,642	-3.0%
Pleasanton	1.00%	10/01/95	\$145,037	\$133,427	-8.0%
Logan County	1.00%	11/01/82	\$289,760	\$255,658	-11.8%
Lyon County	0.50%	07/01/99	\$1,972,149	\$1,927,945	-2.2%
Americus	0.50%	04/01/87	\$13,477	\$12,921	-4.1%
Emporia	1.00%	01/01/95	\$3,716,665	\$3,635,602	-2.2%
McPherson County	1.00%	07/01/82	\$3,224,123	\$2,957,139	-8.3%
Lindsborg	1.00%	07/01/00	\$214,200	\$218,709	2.1%
McPherson	0.50%	10/01/02		\$500,828	NA
Marion County	1.00%	07/01/87	\$819,585	\$796,761	-2.8%
Hillsboro	0.50%	05/01/85	\$173,945	\$164,120	-5.6%
Marion	0.75%	07/01/01	\$107,169	\$130,442	21.7%
Marshall County					
Frankfort	1.00%	04/01/03		\$5,085	NA
Marysville	1.00%	10/01/99	\$576,352	\$576,881	0.1%
Meade County	1.00%	11/01/84	\$288,810	\$285,063	-1.3%
Miami County	1.25%	01/01/01	\$2,903,603	\$3,010,015	3.7%
Fontana	0.50%	07/01/97	\$2,049	\$2,104	2.7%
Louisburg	1.00%	01/01/97	\$453,585	\$476,144	5.0%
Osawatomie	0.50%	07/01/81	\$126,951	\$118,203	-6.9%
Paola	1.00%	10/01/96	\$993,777	\$1,042,270	4.9%
Mitchell County	1.00%	11/01/82	\$724,263	\$731,500	1.0%
Beloit	0.50%	07/01/01	\$216,304	\$270,952	25.3%
Montgomery County	0.00%	10/01/02	\$3,754,916	\$1,595,094	NA

11-11

Local Sales Tax Rates, Effective Dates and Collections Issued for FY 2002 and FY 2003

Beginning in FY 1999, the revised reports reflect the amount that was issued to the taxing entity during the fiscal year versus the amount distributed based on receipt month.

<u>County/City</u>	<u>Tax Rate</u>	<u>Effective Date</u>	<u>Fiscal Year</u>		<u>Percent Change</u>
			<u>2002</u>	<u>2003</u>	
Caney	2.75%	04/01/03	\$219,189	\$225,939	NA
Cherryvale	1.75%	07/01/01	\$226,898	\$243,841	7.5%
Coffeyville	2.50%	10/01/02	\$1,994,068	\$2,702,008	NA
Dearing	1.00%	04/01/03		\$2,041	NA
Independence	2.25%	10/01/02	\$2,574,350	\$3,313,595	N/A
Morris County	1.00%	11/01/82	\$459,779	\$438,455	-4.6%
Morton County					
Elkhart	1.00%	01/01/95	\$253,529	\$213,846	-15.7%
Rolla	1.00%	01/01/97	\$22,958	\$23,842	3.9%
Nemaha County	1.00%	11/01/82	\$828,493	\$816,886	-1.4%
Sabetha	0.50%	07/01/91	\$171,220	\$164,230	-4.1%
Neosho County	1.00%	10/01/00	\$1,844,416	\$1,896,041	2.8%
Chanute	1.00%	11/01/87	\$1,506,461	\$1,555,209	3.2%
Erie	1.00%	01/01/88	\$97,091	\$104,126	7.2%
Saint Paul	1.00%	04/01/98	\$38,165	\$34,268	-10.2%
Thayer	1.00%	07/01/95	\$30,607	\$29,502	-3.6%
Ness County					
Ness City	1.00%	10/01/02		\$85,436	NA
Ransom	0.50%	10/01/93	\$13,749	\$14,023	2.0%
Norton County					
Almena	0.50%	04/01/03		\$698	NA
Norton	0.50%	04/01/93	\$197,261	\$178,003	-9.8%
Osage County	1.00%	11/01/82	\$890,879	\$861,572	-3.3%
Lyndon	1.00%	01/01/99	\$91,432	\$78,690	-13.9%
Overbrook	1.00%	01/01/99	\$79,488	\$77,575	-2.4%
Osborne County	0.50%	01/01/83	\$172,200	\$172,406	0.1%
Ottawa County	1.00%	06/01/01	\$310,304	\$284,393	-8.4%
Delphos	1.00%	11/01/84	\$14,584	\$15,187	4.1%
Minneapolis	0.50%	07/01/01	\$66,883	\$82,893	23.9%
Pawnee County	1.00%	07/01/83	\$562,050	\$512,642	-8.8%
Phillips County					
Glade	1.00%	01/01/01	\$10,996	\$9,645	-12.3%
Phillipsburg	1.00%	07/01/01	\$321,112	\$335,904	4.6%
Pottawatomie County					
Onaga	1.00%	11/01/82	\$45,693	\$44,847	-1.9%
Saint Marys	1.00%	11/01/84	\$238,081	\$247,168	3.8%
Wamego	1.75%	01/01/93	\$700,275	\$724,177	3.4%
Westmoreland	1.00%	01/01/93	\$28,837	\$28,535	-1.0%
Pratt County	1.00%	07/01/82	\$1,270,890	\$1,311,386	3.2%
Pratt	0.50%	10/01/02	\$260,628	\$431,942	N/A
Rawlins County	1.00%	02/01/83	\$173,705	\$165,311	-4.8%
Reno County	1.00%	07/01/86	\$8,139,302	\$8,219,242	1.0%
Hutchinson	0.75%	04/01/94	\$5,041,578	\$5,120,937	1.6%
South Hutchinson	0.50%	01/01/93	\$179,363	\$171,014	-4.7%
Republic County	1.00%	11/01/82	\$423,066	\$404,557	-4.4%
Rice County	1.00%	11/01/82	\$705,125	\$665,121	-5.7%
Lyons	0.50%	07/01/01	\$90,825	\$158,458	NA
Riley County	1.00%	01/01/99	\$5,290,847	\$5,282,782	-0.2%
Manhattan	1.00%	01/01/99	\$6,425,893	\$6,341,630	-1.3%
Ogden	1.00%	11/01/82	\$45,542	\$45,774	0.5%
Riley	1.00%	07/01/92	\$46,390	\$46,310	-0.2%
Plainville	1.00%	04/01/97	\$233,744	\$223,117	-4.5%
Stockton	1.50%	01/01/99	\$208,986	\$187,522	-10.3%
Rooks County	0.00%	10/01/00	\$3,124	\$1,917	NA
Rush County					
La Crosse	1.00%	01/01/96	\$91,397	\$88,119	-3.6%
Russell County	1.00%	04/01/88	\$957,314	\$932,171	-2.6%
Saline County	1.00%	06/01/95	\$8,869,556	\$8,874,035	0.1%
Salina	0.75%	01/01/99	\$6,227,232	\$6,278,944	0.8%
Scott County	1.00%	05/01/82	\$578,823	\$509,477	-12.0%
Sedgwick County	1.00%	10/01/85	\$66,975,030	\$67,731,322	1.1%
Derby	0.50%	04/01/03		\$91,986	NA
Seward County	1.00%	11/01/00	\$3,398,935	\$3,257,731	-4.2%
Liberal	1.00%	10/01/94	\$3,172,578	\$3,074,004	-3.1%
Shawnee County	0.90%	07/01/99	\$24,292,547	\$22,899,469	-5.7%
Auburn	1.00%	07/01/84	\$75,190	\$72,287	-3.9%
Rossville	1.00%	10/01/86	\$77,469	\$81,444	5.1%
Topeka	1.00%	11/01/82	\$23,093,299	\$23,263,248	0.7%

Local Sales Tax Rates, Effective Dates and Collections Issued for FY 2002 and FY 2003

Beginning in FY 1999, the revised reports reflect the amount that was issued to the taxing entity during the fiscal year versus the amount distributed based on receipt month.

<u>County/City</u>	<u>Tax Rate</u>	<u>Effective Date</u>	<u>Fiscal Year</u>		<u>Percent Change</u>
			<u>2002</u>	<u>2003</u>	
Sheridan County	1.00%	01/01/99	\$203,100	\$190,626	-6.1%
Sherman County	1.50%	10/01/98	\$1,424,914	\$1,108,980	-22.2%
Smith County					
Smith Center	0.50%	01/01/01	\$94,306	\$95,546	1.3%
Stafford County	1.00%	11/01/84	\$260,713	\$244,632	-6.2%
Stanton County	1.00%	11/01/84	\$139,339	\$123,623	-11.3%
Stevens County					
Hugoton	1.00%	01/01/94	\$336,241	\$302,600	-10.0%
Sumner County					
Argonia	1.00%	01/01/91	\$18,033	\$20,886	15.8%
Belle Plaine	1.00%	10/01/89	\$95,839	\$84,356	-12.0%
Caldwell	1.00%	11/01/82	\$84,944	\$78,213	-7.9%
Conway Springs	1.00%	10/01/89	\$52,004	\$51,217	-1.5%
Mayfield	0.50%	11/01/82	\$3,251	\$3,416	5.1%
Oxford	1.00%	11/01/84	\$71,171	\$58,026	-18.5%
Wellington	1.25%	01/01/94	\$1,178,315	\$1,125,701	-4.5%
Thomas County	1.00%	11/01/82	\$1,166,599	\$1,127,937	-3.3%
Colby	0.00%	01/01/99	\$1,852	\$2,929	NA
Trego County					
Collyer	1.00%	01/01/01	\$3,509	\$3,495	-0.4%
Wakeeney	1.00%	02/01/83	\$222,503	\$234,696	5.5%
Wabaunsee County	1.25%	01/01/01	\$332,107	\$338,722	2.0%
Maple Hill	0.75%	01/01/03		\$324,904	NA
Paxico	1.00%	10/01/96	\$7,849	\$9,717	23.8%
Washington County	1.00%	02/01/83	\$356,514	\$355,964	-0.2%
Wichita County	2.00%	01/01/96	\$360,151	\$286,372	-20.5%
Wilson County	1.00%	10/01/00	\$578,977	\$593,394	2.5%
Fredonia	1.00%	01/01/86	\$250,297	\$259,590	3.7%
Neodesha	2.00%	10/01/92	\$343,340	\$337,017	-1.8%
Woodson County					
Yates Center	1.75%	01/01/02	\$150,874	\$207,459	37.5%
Toronto	0.50%	11/01/82	\$7,448	\$6,939	-6.8%
Wyandotte County	1.00%	01/01/84	\$14,614,727	\$15,514,829	6.2%
Bonner Springs	1.00%	01/01/86	\$1,305,289	\$1,506,539	15.4%
Edwardsville	1.00%	01/01/86	\$152,758	\$133,772	-12.4%
Kansas City	1.00%	01/01/84	\$13,097,495	\$13,733,107	4.9%
		Grand Total	\$524,792,979	\$529,588,661	0.9%
		<u>Amounts Co/Cty</u>			
		All Counties	\$304,185,323	\$298,080,310	-2.0%
		All Cities	<u>\$227,178,289</u>	<u>\$231,508,351</u>	<u>1.9%</u>
		Total Locals	\$531,363,612	\$529,588,661	-0.3%
		<u>Numbers Co/Cty</u>			
		All Counties	78	76	-2.6%
		All Cities	<u>179</u>	<u>187</u>	<u>4.5%</u>
		Total Locals	257	263	2.3%

•ALL cities within counties with a local tax are subject to the countywide tax as well as to any city tax
 •NC indicates Not Comparable because of a new, increased, decreased or repealed tax rate.
 •Totals may not add due to rounding