

Date

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on February 14, 2006 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Martha Dorsey, Kansas Legislative Research
Judy Swanson, Secretary

Conferees appearing before the committee:

Senator Janis Lee
Dr. David Darling, retired KSU professor
Kimberly Winn, League of Municipalities
Brent Haden, Kansas Livestock Association
David Hetrick, Lewis, Hooper & Dick

Others attending:

See attached list.

Hearing on: **SB 488, distribution of the local ad valorem tax reduction and county and city revenue sharing funds**, was opened. Senator Janis Lee testified counties were in need of the reinstatement of the City and County Revenue Sharing Fund portion of the demand transfers for cities and counties. (Attachment 1) She provided an explanation of how local demand/revenue transfers worked. She gave a summary of the 13-year impact of capping/reducing the state revenue transfers from the state general fund to funds benefitting counties, cities, and other local governments.

Dr. David Darling, retired Kansas State University professor, explained the "pull factor formula". (Attachment 2) Committee discussion was held with Dr. Darling during his testimony.

Kimberly Winn, League of Kansas Municipalities, testified **SB 488** would provide greatly needed revenues to the areas of the state with the greatest need. (Attachment 3)

The fiscal note for **SB 488** was discussed. Senator Lee said there needs to be an amendment to the bill to include all counties, and she would offer the amendment if the bill was worked by the Committee.

Hearing on **SB 488** was closed.

Hearing on **SB 443, claims for exemption from property tax for farm storage and drying equipment and hay storage structures**, was opened.

Brent Haden, Kansas Livestock Association, testified this bill would make it unnecessary to require an initial appeal to the Board of Tax Appeals. (Attachment 4) Being no further conferees or discussion, the hearing was closed.

Hearing was opened on **SB 444, net operating loss carry back or carry forward for income tax purposes**.

David Hetrick, CPA, Lewis, Hooper & Dick, testified in favor of **SB 444**. (Attachment 5) He said a farmer can only carry back or carry forward an operating loss of \$1500 per year. Discussion was held on the bill. Richard Cram, KDOR, said there are only approximately 60 farmers in the state who would be affected by this bill. If the refund were raised to \$3000, it would have an additional \$90,000 fiscal impact.

Written testimony in support of **SB 444** was received from Allie Devine, Kansas Livestock Association. (Attachment 6)

The hearing on **SB 444** was closed.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:40 A.M. on February 14, 2006 in Room 519-S of the Capitol.

SB 465, increasing income tax credit for adoption of certain Kansas children, was discussed. Richard Cram, KDOR, said if the carry forward provision was deleted, it would have an approximate \$100,000 fiscal impact. Chairman Allen reported on SRS's definition of the term "minority" as it applies to this bill.

Senator Donovan moved to approve the Minutes of the February 9 Committee meeting. Senator Jordan seconded the motion, and the motion passed.

Being no further business, the Committee adjourned at 11:45 a.m.

SENATE
ASSESSMENT & TAXATION COMMITTEE

GUEST LIST

DATE: 02-14-06

NAME	REPRESENTING
Steve Stotts	KDOR
Roger Hamm	KDOR
Tony Folsom	KDOR
Brent Halen	KLA
Whitney Jansen	City of Topeka
Estelle Montgomery	Hein Law Firm
Doug Smith	KLPG
Bill Brady	C.S.
Julietta	Hein Law Firm
Kiel Brunner	intern
Peggy Nanna	State Treasurer's Office
Shunda Anstett	State Treasurer's Office
A. Joh	Sen. Bruce

SENATOR JANIS K. LEE
 ASSISTANT MINORITY LEADER
 STATE SENATOR, 36TH DISTRICT
 ELLIS, HODGEMAN, JEWELL,
 MITCHELL, OSBORNE, PAWNEE,
 PHILLIPS, RUSH, RUSSELL
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TOPEKA

SENATE CHAMBER

SB 488 Testimony
Senate Assessment and Taxation Committee
February 14, 2006

COMMITTEE ASSIGNMENTS

RANKING MINORITY MEMBER: ASSESSMENT & TAXATION
 RANKING MINORITY MEMBER: UTILITIES
 RANKING MINORITY MEMBER: EDUCATION
 MEMBER: AGRICULTURE
 NATURAL RESOURCES
 CAPITOL RESTORATION
 JOINT COMMITTEE ON
 INFORMATION TECHNOLOGY

Chairman Allen and members of the Senate Assessment and Taxation Committee;

SB 488 would begin the reinstatement of the City and County Revenue Sharing Fund portion of the demand transfers for cities and counties in Kansas.

As I'm certain you are aware demand transfers are state sales taxes, which are collected at the local level and sent to the state and, according to law, a portion of which should be refunded back to the local units of government. As you can see from the handout dated March 10, 1998 the Local Ad Valorem Tax Reduction Fund dates back to 1938, the Cities and Counties Revenue Sharing Fund dates back to 1979, and the City-County Highway Fund was started in 1981. (This handout provides a detailed history of these 3 demand transfers, which historically directly benefited the local units of government, and thus indirectly the local property tax payers.)

The handout dated December 20, 2005 details the different types of local Demand Transfers and the percentage of the state sales and use tax receipts that are to be distributed to the local units of government through each fund.

The third handout dated Sept. 27, 2002 (exhibits A, B, and C) explains what has happened in terms of state funding of each of these funds since 1991. In 1992 the state began ratcheting back on the full funding of those funds. Starting in 2003, the payments through the LAVTRF and the CCRSF were cut dramatically and completely eliminated the next year. The distribution of these two funds was curtailed because the two administrations and a majority of legislators have apparently felt that the state needed the funds more than local units of government during those years when state revenues experienced a rather dramatic decline.

However now that the decline in revenues is reversing with the state experiencing a substantial increase in our revenues it is time that those demand transfers to the local units be reinstated.

SB 488 would begin the reinstatement with the CCRSF and would begin that process by providing the funds to those counties that have a sales tax pull factor of less than one. As many of you may know the pull factor was developed as a result of work done by Dr. David Darling formerly from KSU. I will not attempt to explain that concept but rather

Assessment & Taxation
Date 2-14-06
Attachment # 1

have invited Dr. David Darling to provide an explanation and discussion of pull factor. Handout #4 details the most recent pull factors developed by Dr. Darling.

I have included the pull factor in SB 488 as a mechanism to begin to address the disparity that currently exists in terms of the ability that local units of government have to alleviate the property tax burden with local sales tax. As a result of the legislature allowing more and more use of the local sales taxes in recent years, sales tax "leakage" has had an increased detrimental effect on those areas that are not retail centers. That is sales tax dollars are being sent from retail "poor" areas to retail rich area. Therefore the sales tax dollars paid by the citizens of one city or county are being used to lower the property tax burden in another city or county, while the local units of their home county cannot compete because they do not have the retail sales. As the years pass, the disparity in the property tax burden continues to expand and is detrimental to the development of business in the retail "poor" area.

While I understand this bill could be rather controversial. It is important that we begin two debates that this bill addresses. First is the debate about the state's obligation to reinstate the demand transfers to the cities and counties. The demand transfer funds were part of a contract between state and local units of government that came about many years ago and that should be honored.

The second debate concerns the effect of the increased use of local sales taxes by local units of government and the resulting differential that creates in the potential opportunities of many of our rural communities to compete with the larger retail centers of our state for alternative tax resources to alleviate their property tax burden.

SB 488 does not take any local revenue away from the retail centers. Instead it assists the retail "poor" areas by reinstating the CCRFS from state general funds. In the long run the retail centers will gain from the state assistance that is being given to their surrounding areas. As the retail "poor" areas are able to alleviate their property tax levies, they will gain in prosperity thus provide a healthier base for the retail centers.

For your information I have also included a chart detailing the results in collections made by local units as a consequences of the recent changes in the Local Use Tax. This chart demonstrates once again the disparity that results from the retail center issues.

Madam Chair and members of the Senate Assessment and Taxation Committee I ask for your consideration of SB 488 and stand for questions.

SALES TAX RESIDUE AND LOCAL AD VALOREM TAX REDUCTION FUND*
In Thousands

Fiscal Year	Amount Expend. or Transfer	Basis of Expenditure or Demand Transfer and Comments
1938	\$ 4,700	When sales and use taxes were enacted in 1937, earmarked for local property tax relief was the "residue" in the Retail Sales Tax Fund after demands were met for school aid, public welfare, and certain other purposes, with the distribution made in June. This residue increased from \$4.7 million in FY 1938 to \$13.8 million in FY 1946.
1946	13,800	The 1947 Legislature froze the distribution from the Retail Sales Tax Fund at \$12.5 million, eliminating the residue concept, but with the distribution still made in June of each year.
1947-1957	12,500	The 1958 Legislature (Special Session) delayed the FY 1958 distribution to FY 1959 and provided for a double distribution in FY 1959.
1958	--	No change in the policy of \$12.5 million each fiscal year.
1959	25,000	The 1964 Legislature changed the distribution from 100 percent in June to equal payments in September and April, so there was no distribution in FY 1965. This did not result in a loss of property tax reduction aid to local units for the 1965 tax levy year.
1960-1964	12,500	The Retail Sales Tax Fund was abolished in 1965 and the \$12.5 million (half in September and half in April) was made a demand transfer (expenditure) from the State General Fund to the Local Ad Valorem Tax Reduction Fund (LAVTRF).
1965	--	The 1970 Legislature earmarked 10 percent of sales and use taxes and all of the domestic insurance companies privilege tax for the LAVTRF.
1966-1970	12,500	When the School District Equalization Act was passed in 1973, the earmarking of sales and use taxes for the LAVTRF was reduced from 10 percent to 4.5 percent and school districts were excluded from sharing in that fund except through the County Foundation Fund, but legislation enacted in 1974 eliminated the LAVTRF distribution to that county fund. (In FYs 1974-1976, 5.5 percent of sales and use taxes was earmarked for transfer to the State School Equalization Fund, which was abolished by the 1976 Legislature.) The 1973 law also changed the distribution from 50 percent in September and in April to 100 percent on January 15. In 1978, the earmarking of receipts from the domestic insurance companies privilege tax for the LAVTRF was eliminated due to creation of the County-City Revenue Sharing Fund.
1971	15,171	The 1983 Legislature changed the transfer to 50 percent on January 15 and on July 15 (which is current law), but this did not reduce what local units received from the LAVTRF in CY 1983. Also, the transfer statute was amended to specify that the transfer is to be based on sales and use taxes credited to the General Fund.
1972	16,780	
1973	19,469	
1974	9,918	
1975	11,857	
1976	12,525	
1977	14,481	
1978	15,767	
1979	17,463	
1980	18,361	
1981	19,469	
1982	20,716	
1983	11,326	

Fiscal Year	Amount Expend. or Transfer	Basis of Expenditure or Demand Transfer and Comments
1984	22,367	
1985	23,701	
1986	24,555	
1987	26,937	Sales and use tax rates were increased from 3 percent to 4 percent effective July 1, 1986. No change was made in the percentage earmarked for transfer to the LAVTRF.
1988	30,844	
1989	33,576	General Fund transfers to the LAVTRF were reduced by 3.8 percent affecting one transfer in FY 1988, both transfers in FY 1989, and one transfer in FY 1990.
1990	35,326	
1991	37,164	No change from existing law.
1992	38,576	Transfers from General Fund to LAVTRF were reduced by 1.0 percent pursuant to Finance Council action on the Governor's recommendation.
1993	39,324	The 1992 Legislature reduced the transfers from the General Fund to the LAVTRF from 4.5 percent of sales and use taxes to 4.03 percent based on receipts in CY 1992 and to 3.63 percent based on receipts in CY 1993 and each year thereafter. This was done so that all of the additional revenue resulting from raising the sales and use tax rates and expanding the tax base would be dedicated to state aids for school districts under a new school finance plan enacted in 1992. In addition, the transfers in FY 1993 were reduced by 3 percent (in dollars).
1994	40,293	The transfers from the General Fund to the LAVTRF were reduced by 4 percent.
1995	44,649	No change from existing law.
1996	46,301	Transfers capped at 3.7 percent increase over FY 1995.
1997	46,949	Transfers capped at 1.4 percent increase over FY 1996.
1998	47,771	Transfers capped at 1.75 percent increase over FY 1997.
1999 (Gov. Rec.)	48,917	Transfers recommended to be capped at 2.4 percent increase over FY 1998.

At one point in time, the former Retail Sales Tax Fund received all or a statutorily prescribed percentage of sales and compensating use, cereal malt beverage, and cigarette tax receipts, with variations from FY 1938 through FY 1965. Sales and use taxes were always the principal source.

Transfers from the General Fund to the Local Ad Valorem Tax Reduction Fund in a calendar year currently are based only on sales and use tax receipts credited to the General Fund in the preceding calendar year. The LAVTRF is allocated among the 105 counties, 65 percent on the basis of population and 35 percent on the basis of assessed tangible valuation. Within each county, its allocation is distributed to all property tax levying subdivisions (except school districts) based on their tax levies in the preceding year.

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COUNTY-CITY REVENUE SHARING FUND (CCRSF)*
(In Thousands)

Fiscal Year	Amount Transferred	Basis of Demand Transfer and Comments
1979	\$ 6,613	Effective January 1, 1979, the County-City Revenue Sharing Fund was created to which quarterly transfers from the General Fund were made in amounts that, in the aggregate, were equal to 3.5 percent of sales and use tax receipts in the preceding calendar year. There were two such transfers in FY 1979. This new state aid program replaced, and diverted to the General Fund, the counties' and cities' shares of the cigarette tax (25 percent) and liquor enforcement tax (60 percent) and the allocation of all domestic insurance company privilege tax receipts to the Local Ad Valorem Tax Reduction Fund, which totaled \$11.9 million in FY 1978.
1980	13,753	No change from existing law.
1981	14,711	
1982	15,627	
1983	8,056	Transfers from the General Fund were changed from quarterly to equal payments on July 15 and December 10 based on 3.5 percent of sales and use tax receipts credited to the General Fund in the preceding calendar year, thus eliminating two quarterly transfers in FY 1983.
1984	16,468	No change from existing law even though sales and use tax rates were increased from 3 percent to 4 percent effective July 1, 1986.
1985	18,220	
1986	18,648	
1987	19,550	
1988	22,352	
1989	25,628	Transfers in both fiscal years were reduced by 3.8 percent (in dollars).
1990	26,601	
1991	28,351	No change from existing law.
1992	29,166	The transfers were reduced by 1 percent.
1993	30,218	The 1992 Legislature reduced the transfers from the General Fund from 3.5 percent to 3.134 percent of sales and use taxes based on receipts in CY 1992 and to 2.823 percent based on receipts in CY 1993 and each year thereafter. This was done so that all of the additional revenue resulting from raising the sales and use rates and expanding the tax base would be dedicated to state aids for school districts under a new school finance plan enacted in 1992. In addition, the transfers in FY 1993 were reduced by 3 percent (in dollars).
1994	30,629	The transfers were reduced by 4 percent.
1995	33,375	No change from existing law.

Fiscal Year	Amount Transferred	Basis of Demand Transfer and Comments
1996	34,610	Transfers capped at 3.7 percent increase over FY 1995.
1997	35,095	Transfers capped at 1.4 percent increase over FY 1996.
1998	35,709	Transfers capped at 1.75 percent increase over FY 1997.
1999 (Gov. Rec.)	36,566	Transfers recommended to be capped at 2.4 percent increase over FY 1998.

* Allocated among the 105 counties, 65 percent on the basis of population and 35 percent on the basis of assessed tangible valuation. Counties retain 50 percent and cities receive 50 percent in proportion to their populations.

GENERAL FUND DEMAND TRANSFER TO CITY-COUNTY HIGHWAY FUND*
(From Motor Carrier Property Tax Receipts)

(In Thousands)

Fiscal Year	Amount Transferred	Basis of Demand Transfer and Comments**
1981	\$ 4,930	Beginning in FY 1981, an amount equal to motor carrier property tax receipts credited to the General Fund is transferred to the City-County Highway Fund on July 15 and January 15 based on such receipts in the preceding six months.
1982	5,421	No change from existing law.
1983	5,459	
1984	5,828	
1985	6,405	
1986	7,441	
1987	10,289	
1988	9,814	
1989	10,551	
1990	10,198	
1991	9,052	The transfer was reduced by 1.75 percent.
1992	9,768	The transfer was reduced by 1.0 percent.
1993	9,631	The transfer was reduced by 3.0 percent.
1994	9,743	The transfer was reduced by 4.0 percent.
1995	10,036	For FY 1995, the transfer was capped at 3.0 percent more than the actual transfer in FY 1994.
1996	10,407	Transfer capped at 3.7 percent increase over FY 1995.
1997	10,553	Transfer capped at 1.4 percent increase over FY 1996.
1998	10,737	Transfer capped at 1.75 percent increase over FY 1997.
1999 (Gov. Rec.)	10,995	Transfer recommended to be capped at 2.4 percent increase over FY 1998.

* The principal source of revenue to the City-County Highway Fund is its 40.5 percent share of motor fuels taxes after \$2.5 million annually from net fuels taxes is diverted to a gasohol subsidy which expires on July 1, 2001.

** From FY 1981 through FY 1988, the transfers were revenue transfers (netted out of General Fund receipts). Beginning in FY 1989, the transfers became demand transfers (expenditures).

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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December 20, 2005

LOCAL DEMAND/REVENUE TRANSFERS

A demand transfer is a state appropriation that the amount of the transfer in any given fiscal year is based on a formula or authorization in substantive law. The actual appropriation of the funds has traditionally been made through the authority of this law, rather than through an appropriation bill. However, adjustments to the transfers that depart from the substantive law for budgetary reasons are included in appropriation bills.

In recent years, the local demand transfers have been switched to revenue transfers, because it transferred directly out of the State General Fund. Revenue transfers are not counted as part of budgeted expenditures from the State General Fund which impacts the amount of the required ending balance in the State General Fund.

Types of Local Demand/Revenue Transfers

- **Local Ad Valorem Tax Reduction Fund (LAVTRF).** This fund by statute is supposed to receive 3.6 percent of state sales and use tax receipts. The LAVTRF is proportionately divided to all counties, 65 percent on the basis of population and 35 percent on the basis of assessed tangible valuation. Then, within each county, the amount is further divided among all taxing subdivisions (except unified school districts) proportionately, based on the taxes levied in the preceding year. The LAVTRF is distributed by the state to local units of governments for property tax relief. The statutory amount for LAVTRF in FY 2006 would have been approximately \$68.7 million, but because of action by the 2005 Legislature, no transfers will be made into the fund and hence, no payments will be made out of the fund. No transfers were made in FY 2004 or FY 2005.
- **County and City Revenue Sharing Fund (CCRSF).** This fund by statute is supposed to receive 2.8 percent of state sales and use tax receipts. The CCRSF is proportionately divided among all counties, 65 percent on the basis of population and 35 percent on the basis of assessed tangible valuation. Within each county, the amount is further divided, with the county receiving 50 percent and cities within the county receiving the other 50 percent, in proportion to their populations. The CCRSF is distributed by the state to local units of governments for property tax relief. The statutory amount for CCRSF in FY 2006 would have been approximately \$52.2 million, but because of action by the 2005 Legislature, no transfers will be made into the fund and hence, no payments will be made out of the fund. No transfers were made in FY 2004 or FY 2005.
- **Special City and County Highway Fund (SCCHF).** This fund was established in 1979 to prevent the deterioration of city streets and county roads. Each year, this fund is supposed to receive an amount equal to the state property tax levied on motor carriers (semi-tractors and trailers, etc.). The statutory amount for SCCHF in FY 2006 would have been \$22.0 million, but

because of action by the 2005 Legislature, the fund will only receive \$10.1 million. This is the same as in FY 2005. In FY 2004, the amount was also \$10.1 million, but the funding source was balances (from motor fuels taxes) in the Special City and County Highway Fund.

- **School District Capital Improvement Fund (SDCIF).** This fund was established to support local school construction projects. Local school districts utilize these payments for bond and interest payments for financing of new school buildings, expansion of school buildings, or remodeling school buildings. The SDCIF is paid on an inverse proportion to the local school district's assessed valuation per pupil. The higher the local school district's assessed property valuation, the less the state pays the district through the SDCIF. The FY 2006 amount for the SDCIF is \$10.1 million. There was no limit or cap placed on the SDCIF by the 2005 Legislature for FY 2006.

See the attached table for a six-year (FY 2001 through FY 2006) history of expenditures for the above-mentioned demand/revenue transfers to local units of government.

SUMMARY
13-YEAR IMPACT: CAPPING/REDUCING THE STATE REVENUE TRANSFERS
FROM THE STATE GENERAL FUND TO FUNDS BENEFITING COUNTIES, CITIES,
AND OTHER LOCAL GOVERNMENTS (in thousands)

LOCAL AD VALOREM TAX REDUCTION (LAVTR)
Source: State Retail Sales Tax

FISCAL YEAR	TRANSFER PER STATUTES	ACTUAL TRANSFER	NET (LOST) REVENUE
			0
1991	37,164	37,164	(390)
1992	38,966	38,576	(1,216)
1993	40,540	39,324	(1,678)
1994	41,971	40,293	0
1995	44,649	44,649	(753)
1996	47,054	46,301	(1,712)
1997	48,661	46,949	(2,917)
1998	50,688	47,771	0
1999	55,122	55,122	0
2000	57,903	57,903	(6,176)
2001	60,315	54,139	(7,300)
2002	61,980	54,680	(10,245)
2003 *	62,738	52,493	(32,387)
Total *	647,751	615,364	

CITY-COUNTY REVENUE SHARING (CCRS)
Source: State Retail Sales Tax

FISCAL YEAR	TRANSFER PER STATUTES	ACTUAL TRANSFER	NET (LOST) REVENUE
			0
1991	28,351	28,351	(295)
1992	29,461	29,166	(935)
1993	31,153	30,218	(1,276)
1994	31,905	30,629	0
1995	33,375	33,375	(1,460)
1996	36,070	34,610	(2,022)
1997	37,117	35,095	(2,861)
1998	38,570	35,709	(4,810)
1999	41,376	36,566	(7,427)
2000	44,359	36,932	(11,473)
2001	46,004	34,531	(12,025)
2002	46,901	34,876	(14,387)
2003 *	47,868	33,481	(58,971)
Total *	492,510	433,539	

SPECIAL CITY-COUNTY HIGHWAY FUNDS:
 Demand Transfer Source: Motor Carrier Property Taxes

<u>FISCAL YEAR</u>	<u>TRANSFER PER STATUTES</u>	<u>ACTUAL TRANSFER</u>	<u>NET (LOST) REVENUE</u>
1991	9,213	9,052	(161)
1992	9,866	9,768	(98)
1993	9,929	9,631	(298)
1994	10,149	9,743	(406)
1995	11,169	10,036	(1,133)
1996	13,525	10,407	(3,118)
1997	15,500	10,553	(4,947)
1998	15,998	10,737	(5,261)
1999	15,771	10,995	(4,776)
2000	16,125	11,182	(4,943)
2001	18,000	10,343	(7,657)
2002	18,500	10,447	(8,053)
2003 *	20,000	10,063	(9,937)
Total *	183,745	132,957	(50,788)
Total -- all three programs	1,324,006	1,181,860	(142,146)

NOTES AND EXPLANATIONS:

Transfer Per Statutes -- the amount that would be or would have been transferred if there had not been an adjustment (e.g. capping) in the appropriations bills

2003 * Per SB 517 (FY 03 Budget)

Totals * -- computed to include the transfers over a 13-year period (1991-2003), with the 2003 amounts based on SB 517

The total reduction in the revenue transfers from FY 02 actual to FY 03 (SB 517) is \$3,966,000, or 4.0%.

Over the 13-year period (1991-2003), the revenue lost to local governments totals \$142,146,000, an average of \$10,934,307 annually.

Kansas Association of Counties
 (785) 272-2585
 May 20, 2002

C

Kansas Department of Revenue
Office of Policy and Research
County City Revenue Sharing (CCRSF)
Local Ad Valorum Tax Relief (LAVTRF)

CCRSF - \$ in Millions

State General Fund (\$ in millions)

Total Sales Use

FY 94	33.38	\$	1,236.267	\$	1,103.937	\$	132.330	
FY 95	34.61	\$	1,308.748	\$	1,160.722	\$	148.026	
FY 96	35.09	\$	1,329.587	\$	1,179.695	\$	149.892	
FY 97	35.71	\$	1,400.602	\$	1,235.001	\$	165.601	
FY 98	35.71	\$	1,536.679	\$	1,351.591	\$	185.088	
FY 99	36.57	\$	1,598.542	\$	1,398.527	\$	200.015	
FY 00	36.93	\$	1,648.586	\$	1,442.903	\$	205.683	
FY 01	34.53	\$	1,658.952	\$	1,423.059	\$	235.893	Reduced 6.5% from FY 00
FY 02	34.88	\$	1,704.363	\$	1,470.599	\$	233.764	Capped at 101% of FY 01
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FY 03	48.11	\$	1,793.645	\$	1,567.722	\$	225.923	Discontinued, estimate based
FY 04	50.63	\$	1,826.569	\$	1,612.067	\$	214.502	on statute, 2.823% transfer
FY 05	51.56	\$	1,892.174	\$	1,647.419	\$	244.755	
FY 06	53.42	\$	1,980.000	\$	1,715.000	\$	265.000	Estimated SGF

LAVTRF - \$ in Millions

State General Fund (\$ in millions)

Total Sales Use

FY 94	\$	42.058	\$	1,236.267	\$	1,103.937	\$	132.330	
FY 95	\$	44.649	\$	1,308.748	\$	1,160.722	\$	148.026	
FY 96	\$	46.265	\$	1,329.587	\$	1,179.695	\$	149.892	
FY 97	\$	47.344	\$	1,400.602	\$	1,235.001	\$	165.601	
FY 98	\$	47.771	\$	1,536.679	\$	1,351.591	\$	185.088	
FY 99	\$	55.122	\$	1,598.542	\$	1,398.527	\$	200.015	
FY 00	\$	56.047	\$	1,648.586	\$	1,442.903	\$	205.683	
FY 01	\$	54.139	\$	1,658.952	\$	1,423.059	\$	235.893	Reduced 6.5% from FY 00
FY 02	\$	54.681	\$	1,704.363	\$	1,470.599	\$	233.764	Capped at 101% of FY 01
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FY 03	\$	61.868	\$	1,793.645	\$	1,567.722	\$	225.923	Discontinued, estimate based
FY 04	\$	65.109	\$	1,826.569	\$	1,612.067	\$	214.502	on statute, 3.63% transfer
FY 05	\$	66.304	\$	1,892.174	\$	1,647.419	\$	244.755	
FY 06	\$	68.686	\$	1,980.000	\$	1,715.000	\$	265.000	Estimated SGF

Transfers discontinued beginning in FY 2003

FY 94 to FY 2002 amounts are actual amounts.

FY 03 to FY 06 amounts based on statutory percentages using prior FY receipts.

4

Janis Lee

From: "David Darling" <ddarling@ourtownusa.net>
To: <jlee@ink.org>
Sent: Monday, January 23, 2006 7:46 PM
Subject: Pull Factor information from David Darling

Dear Senator,

The pull factor measure is simply the local per capita sales tax collections value over the state per capita sales tax collections value. The numerator will vary across counties while, in a given fiscal year, the denominator is a constant. Thus, if per capita sales tax collections in county X is \$350 while the per capita sales tax collections for the state is \$700 then the pull factor is $\$350/\700 . This simplifies to 0.50. Wallace County had a pull factor of 0.50 in fiscal year 2004.

Trade centers tend to have high pull factors, greater than one.
Salina drove the pull factor up in Saline County to 1.33 in fiscal year 2004.
Non-trade center counties tend to have low pull factors, less than one.
For example, Lincoln County had a pull factor of 0.39 in fiscal year 2004.
Many more counties have low pull factors than high ones.

Most people think of a pull factor as a measure of leakage and capture or retail trade across political boundaries. Therefore, Saline County businesses are attracting taxable retail trade from other surrounding counties including from Lincoln County.

In the latest statistical analysis, we found that the county pull factor was a function of the size of the central city, per capita incomes and the quality of the local retail environment.

Hope this is concise and easy to repeat. David Darling

Assessment & Taxation
Date 02-14-06 1/24/2006
Attachment # 2

Year	Name of Kansas County	Adjusted Population	CTPF FY 2004	TAC FY 2004	% Market Share FY 2004
2004	Allen	13,718	0.70	9,546	0.36%
2004	Anderson	8,090	0.57	4,586	0.17%
2004	Atchison	16,428	0.67	10,927	0.41%
2004	Barber	4,969	0.87	4,304	0.16%
2004	Barton	27,028	1.05	28,371	1.06%
2004	Bourbon	14,881	0.65	9,738	0.37%
2004	Brown	10,240	0.57	5,846	0.22%
2004	Butler	59,373	0.66	38,996	1.46%
2004	Chase	2,994	0.41	1,235	0.05%
2004	Chautauqua	4,031	0.37	1,502	0.06%
2004	Cherokee	21,551	0.37	8,061	0.30%
2004	Cheyenne	2,901	0.54	1,581	0.06%
2004	Clark	2,287	0.41	934	0.04%
2004	Clay	8,408	0.64	5,365	0.20%
2004	Cloud	9,513	0.87	8,245	0.31%
2004	Coffey	8,689	0.64	5,596	0.21%
2004	Comanche	1,845	0.71	1,309	0.05%
2004	Cowley	34,914	0.68	23,816	0.89%
2004	Crawford	37,700	0.78	29,397	1.10%
2004	Decatur	3,175	0.43	1,368	0.05%
2004	Dickinson	18,925	0.70	13,243	0.50%
2004	Doniphan	8,055	0.32	2,583	0.10%
2004	Douglas	102,400	0.96	98,647	3.70%
2004	Edwards	3,216	0.46	1,479	0.06%
2004	Elk	3,081	0.42	1,289	0.05%
2004	Ellis	26,889	1.38	36,984	1.39%
2004	Ellsworth	5,537	0.57	3,163	0.12%
2004	Finney	38,939	1.03	40,090	1.50%
2004	Ford	32,510	0.97	31,679	1.19%
2004	Franklin	25,225	0.79	19,924	0.75%
2004	Geary	26,085	0.82	21,507	0.81%
2004	Gove	2,857	0.75	2,136	0.08%
2004	Graham	2,763	0.72	1,997	0.07%
2004	Grant	7,674	0.95	7,321	0.27%
2004	Gray	5,927	0.48	2,817	0.11%
2004	Greeley	1,393	0.63	883	0.03%
2004	Greenwood	7,322	0.45	3,268	0.12%
2004	Hamilton	2,623	0.56	1,475	0.06%
2004	Harper	6,038	0.74	4,479	0.17%

2004	Harvey	32,711	0.81	26,388	0.99%
2004	Haskell	4,211	0.54	2,276	0.09%
2004	Hodgeman	2,116	0.33	707	0.03%
2004	Jackson	12,803	0.64	8,158	0.31%
2004	Jefferson	18,550	0.31	5,839	0.22%
2004	Jewell	3,392	0.33	1,117	0.04%
2004	Johnson	482,740	1.45	697,902	26.17%
2004	Kearny	4,546	0.37	1,681	0.06%
2004	Kingman	8,184	0.53	4,335	0.16%
2004	Kiowa	3,092	0.65	2,022	0.08%
2004	Labette	21,668	0.64	13,882	0.52%
2004	Lane	1,923	0.49	937	0.04%
2004	Leavenworth	65,557	0.61	39,684	1.49%
2004	Lincoln	3,422	0.39	1,340	0.05%
2004	Linn	9,613	0.39	3,771	0.14%
2004	Logan	2,798	0.79	2,220	0.08%
2004	Lyon	35,379	0.86	30,355	1.14%
2004	Marion	12,968	0.47	6,089	0.23%
2004	Marshall	10,356	0.72	7,471	0.28%
2004	McPherson	28,688	0.90	25,826	0.97%
2004	Meade	4,548	0.46	2,101	0.08%
2004	Miami	28,581	0.72	20,690	0.78%
2004	Mitchell	6,467	0.91	5,873	0.22%
2004	Montgomery	34,377	0.84	28,804	1.08%
2004	Morris	5,920	0.58	3,423	0.13%
2004	Morton	3,260	0.78	2,544	0.10%
2004	Nemaha	10,046	0.61	6,104	0.23%
2004	Neosho	16,283	0.95	15,421	0.58%
2004	Ness	3,082	1.02	3,146	0.12%
2004	Norton	5,022	0.70	3,501	0.13%
2004	Osage	16,565	0.38	6,279	0.24%
2004	Osborne	4,066	0.65	2,653	0.10%
2004	Ottawa	6,005	0.36	2,178	0.08%
2004	Pawnee	6,148	0.65	3,971	0.15%
2004	Phillips	5,514	0.67	3,685	0.14%
2004	Pottawatomie	18,572	1.42	26,363	0.99%
2004	Pratt	9,293	1.18	10,953	0.41%
2004	Rawlins	2,793	0.42	1,180	0.04%
2004	Reno	60,879	1.06	64,469	2.42%
2004	Republic	5,167	0.55	2,857	0.11%
2004	Rice	10,259	0.51	5,196	0.19%
2004	Riley	61,864	0.73	45,172	1.69%

2004 Times

2004	Rooks	5,220	0.69	3,601	0.14%
2004	Rush	3,330	0.38	1,268	0.05%
2004	Russell	6,735	0.77	5,154	0.19%
2004	Saline	53,027	1.33	70,569	2.65%
2004	Scott	4,720	0.83	3,933	0.15%
2004	Sedgwick	458,959	1.16	534,231	20.03%
2004	Seward	22,865	1.14	26,150	0.98%
2004	Shawnee	166,825	1.18	196,292	7.36%
2004	Sheridan	2,618	0.56	1,472	0.06%
2004	Sherman	6,205	1.13	7,015	0.26%
2004	Smith	4,077	0.54	2,211	0.08%
2004	Stafford	4,519	0.52	2,366	0.09%
2004	Stanton	2,349	0.47	1,113	0.04%
2004	Stevens	5,329	0.62	3,314	0.12%
2004	Sumner	24,874	0.47	11,585	0.43%
2004	Thomas	7,815	1.16	9,096	0.34%
2004	Trego	2,994	0.68	2,043	0.08%
2004	Wabaunsee	6,655	0.28	1,869	0.07%
2004	Wallace	1,596	0.50	806	0.03%
2004	Washington	5,950	0.40	2,408	0.09%
2004	Wichita	2,422	0.46	1,125	0.04%
2004	Wilson	9,913	0.46	4,575	0.17%
2004	Woodson	3,517	0.39	1,358	0.05%
2004	Wyandotte	155,975	0.83	128,961	4.84%

Kansas Department of Revenue
Office of Policy and Research
Local Use Tax Distributions

#5

	CY 2001	CY 2002	CY 2003	CY 2004	CY 2005
Allen County	\$ 24,393.47	\$ 35,456.44	\$ 62,855.45	\$ 173,071.21	\$ 156,957.68
Anderson County	\$ 16,696.63	\$ 22,503.07	\$ 35,812.87	\$ 54,709.99	\$ 60,804.56
Atchison County	\$ 129,835.06	\$ 158,420.43	\$ 192,060.20	\$ 346,453.45	\$ 233,596.69
Barber County	\$ 18,316.87	\$ 15,724.66	\$ 30,856.56	\$ 72,565.52	\$ 109,550.67
Barton County	\$ 36,731.73	\$ 39,736.18	\$ 116,031.27	\$ 365,569.32	\$ 355,561.12
Bourbon County	\$ 19,811.32	\$ 57,064.18	\$ 77,236.59	\$ 176,779.68	\$ 184,172.94
Brown County	\$ 49,316.80	\$ 54,327.67	\$ 81,493.41	\$ 157,727.88	\$ 179,198.88
Chase County	\$ 5,759.31	\$ 7,318.64	\$ 18,548.65	\$ 20,213.61	\$ 47,373.63
Chautauqua County	\$ 22,139.85	\$ 28,809.10	\$ 37,927.28	\$ 44,446.50	\$ 48,174.28
Cherokee County	\$ 186,058.27	\$ 188,330.35	\$ 304,131.13	\$ 558,535.79	\$ 572,372.94
Cheyenne County	\$ 47,067.35	\$ 51,200.87	\$ 51,355.05	\$ 94,319.83	\$ 86,759.42
Clay County	\$ 11,893.77	\$ 16,594.48	\$ 37,819.94	\$ 76,837.11	\$ 74,648.01
Cloud County	\$ 11,555.73	\$ 15,972.41	\$ 30,163.47	\$ 84,831.83	\$ 105,161.77
Cowley County	\$ 138,763.33	\$ 53,860.04	\$ 134,736.54	\$ -	\$ 13,588.27
Crawford County	\$ -	\$ 140,859.49	\$ 134,316.60	\$ 502,240.69	\$ 560,424.29
Decatur County	\$ 32,517.19	\$ 32,915.41	\$ 34,568.81	\$ 44,468.99	\$ 48,593.59
Dickinson County	\$ 23,679.08	\$ 49,971.79	\$ 76,468.87	\$ 185,035.12	\$ 259,390.78
Doniphan County	\$ 82,909.72	\$ 84,942.93	\$ 88,227.15	\$ 153,322.29	\$ 163,244.94
Douglas County	\$ 277,616.03	\$ 306,963.21	\$ 527,803.47	\$ 1,064,361.02	\$ 1,087,848.74
Edwards County	\$ 6,520.82	\$ 5,982.98	\$ 10,680.01	\$ 35,494.10	\$ 52,583.73
Elk County	\$ 8,829.86	\$ 8,112.67	\$ 15,322.40	\$ 26,642.50	\$ 23,124.86
Ellsworth County	\$ 2,914.43	\$ 4,918.99	\$ 13,113.68	\$ 25,549.79	\$ 49,480.34
Finney County	\$ 72,381.32	\$ 82,463.04	\$ 144,664.87	\$ 330,890.48	\$ 446,411.01
Ford County	\$ 56,554.41	\$ 81,017.43	\$ 135,711.67	\$ 391,498.26	\$ 376,797.21
Franklin County	\$ 105,847.03	\$ 132,400.17	\$ 236,908.77	\$ 443,572.37	\$ 394,011.03
Geary County	\$ 43,425.53	\$ 73,128.41	\$ 166,422.42	\$ 266,086.42	\$ 241,748.42
Gove County	\$ 7,734.57	\$ 8,377.97	\$ 11,635.86	\$ 26,939.42	\$ 31,921.58
Graham County	\$ -	\$ -	\$ 733.94	\$ 6,372.34	\$ 6,464.75
Gray County	\$ 10,689.99	\$ 13,246.21	\$ 21,755.48	\$ 52,841.38	\$ 63,528.70
Greeley County	\$ 8,568.93	\$ 6,693.49	\$ 12,211.00	\$ 24,970.77	\$ 22,778.53
Greenwood County	\$ 10,021.43	\$ 13,831.24	\$ 33,336.27	\$ 53,264.02	\$ 45,913.41
Hamilton County	\$ 6,968.98	\$ 5,187.84	\$ 9,862.88	\$ 24,852.61	\$ 21,769.84
Harvey County	\$ 35,309.43	\$ 42,673.80	\$ 14,919.75	\$ 121,157.11	\$ 248,614.45
Haskell County	\$ 10,189.02	\$ 8,346.90	\$ 13,498.11	\$ 38,824.09	\$ 47,275.55
Jackson County	\$ 15,509.83	\$ 21,300.36	\$ 35,144.08	\$ 83,656.65	\$ 81,267.08
Jefferson County	\$ 58,870.11	\$ 59,004.34	\$ 87,162.95	\$ 129,531.15	\$ 158,503.88
Jewell County	\$ 21,154.73	\$ 21,432.82	\$ 23,864.43	\$ 44,376.92	\$ 38,437.41
Johnson County	\$ 4,496,037.49	\$ 4,751,001.49	\$ 7,838,160.74	\$ 22,495,283.40	\$ 26,366,601.96
Kiowa County	\$ 6,090.77	\$ 7,565.75	\$ 23,811.62	\$ 139,941.80	\$ 51,677.61
Labette County	\$ 89,936.89	\$ 122,936.83	\$ 174,716.02	\$ 296,476.42	\$ 358,410.67
Leavenworth County	\$ 324,677.13	\$ 358,700.05	\$ 459,559.56	\$ 760,102.40	\$ 785,235.65
Lincoln County	\$ 3,799.58	\$ 5,693.21	\$ 9,287.13	\$ 17,207.78	\$ 20,136.93
Logan County	\$ 4,629.84	\$ 7,442.34	\$ 14,935.56	\$ 203,804.06	\$ 21,708.07
Lyon County	\$ 20,214.90	\$ 34,353.25	\$ 71,053.81	\$ 161,728.40	\$ 168,641.40
Marion County	\$ 11,166.65	\$ 15,600.84	\$ 41,584.30	\$ 83,490.44	\$ 106,928.94
Mcpherson County	\$ 30,430.15	\$ 45,773.04	\$ 171,059.93	\$ 555,752.82	\$ 571,558.30
Meade County	\$ 11,579.62	\$ 11,527.22	\$ 21,392.19	\$ 50,990.59	\$ 63,727.12
Miami County	\$ 184,705.92	\$ 213,440.86	\$ 327,144.99	\$ 551,992.50	\$ 561,803.87
Mitchell County	\$ 10,806.00	\$ 14,440.89	\$ 27,387.18	\$ 54,954.53	\$ 55,302.37
Montgomery County	\$ 142,411.67	\$ 155,167.85	\$ 17,878.57	\$ 3,672.47	\$ 98.17
Morris County	\$ 8,192.52	\$ 12,988.41	\$ 30,950.41	\$ 53,440.11	\$ 49,746.16
Nemaha County	\$ 28,560.39	\$ 35,353.49	\$ 51,606.10	\$ 109,337.70	\$ 116,581.64

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Kansas Department of Revenue
Office of Policy and Research
Local Use Tax Distributions

	CY 2001	CY 2002	CY 2003	CY 2004	CY 2005
Neosho County	\$ 38,952.64	\$ 48,610.89	\$ 77,020.66	\$ 174,002.42	\$ 225,832.04
Norton County	\$ -	\$ -	\$ 3,432.36	\$ 97,099.11	\$ 92,765.03
Osage County	\$ 20,642.84	\$ 29,884.95	\$ 47,893.85	\$ 110,245.66	\$ 105,957.67
Osborne County	\$ 3,346.68	\$ 3,636.32	\$ 7,963.30	\$ 12,508.87	\$ 17,665.39
Ottawa County	\$ 12,905.61	\$ 9,318.83	\$ 15,036.90	\$ 33,540.67	\$ 32,896.80
Pawnee County	\$ 10,019.07	\$ 8,981.10	\$ 12,411.86	\$ 32,514.40	\$ 40,940.41
Pottawatomie County	\$ -	\$ -	\$ -	\$ -	\$ 170,228.44
Pratt County	\$ 16,728.78	\$ 14,783.41	\$ 40,974.96	\$ 108,912.85	\$ 114,244.13
Rawlins County	\$ 20,768.41	\$ 22,596.82	\$ 23,174.32	\$ 43,496.27	\$ 54,447.36
Reno County	\$ 86,187.50	\$ 133,865.96	\$ 261,734.27	\$ 695,470.17	\$ 680,195.85
Republic County	\$ 16,223.99	\$ 16,097.46	\$ 32,841.20	\$ 110,601.17	\$ 130,544.94
Rice County	\$ 12,403.76	\$ 13,593.74	\$ 36,944.34	\$ 103,549.79	\$ 94,413.76
Riley County	\$ 78,168.57	\$ 119,954.53	\$ 295,574.37	\$ 551,878.53	\$ 508,652.00
Rooks County	\$ 30.36	\$ 0.06	\$ 0.03	\$ 109.94	\$ -
Russell County	\$ 16,831.61	\$ 26,081.53	\$ 70,701.09	\$ 115,951.26	\$ 131,166.38
Saline County	\$ 77,335.30	\$ 122,109.42	\$ 263,994.66	\$ 718,765.83	\$ 647,818.68
Scott County	\$ 11,575.60	\$ 12,005.34	\$ 18,713.95	\$ 48,736.09	\$ 55,251.73
Sedgwick County	\$ 838,592.75	\$ 1,144,599.41	\$ 1,965,706.50	\$ 6,775,190.70	\$ 8,734,648.17
Seward County	\$ 86,653.34	\$ 90,447.06	\$ 174,212.55	\$ 467,528.12	\$ 554,003.79
Shawnee County	\$ 81,290.17	\$ 97,188.51	\$ 270,756.24	\$ 978,798.33	\$ 1,347,741.82
Sheridan County	\$ 13,156.38	\$ 14,438.26	\$ 15,465.08	\$ 27,187.31	\$ 28,135.77
Sherman County	\$ 42,066.61	\$ 34,857.47	\$ 47,491.33	\$ 293,552.30	\$ 137,633.87
Stafford County	\$ 5,289.68	\$ 7,122.47	\$ 11,082.33	\$ 35,388.66	\$ 42,407.91
Stanton County	\$ 16,399.82	\$ 16,054.74	\$ 17,464.36	\$ 39,836.02	\$ 28,964.20
Sumner County	\$ -	\$ -	\$ -	\$ 11,217.31	\$ 230,262.06
Thomas County	\$ 25,396.17	\$ 35,466.89	\$ 48,249.75	\$ 107,709.00	\$ 104,103.45
Trego County	\$ -	\$ -	\$ -	\$ -	\$ 11,140.02
Wabaunsee County	\$ 10,280.90	\$ 19,487.73	\$ 45,228.71	\$ 67,531.64	\$ 70,296.42
Washington County	\$ 30,302.42	\$ 28,287.36	\$ 41,693.46	\$ 63,425.18	\$ 69,944.22
Wichita County	\$ 24,981.19	\$ 24,198.32	\$ 67,928.99	\$ 122,732.23	\$ 84,264.60
Wilson County	\$ 24,994.25	\$ 40,047.80	\$ 58,618.48	\$ 115,995.99	\$ 141,661.05
Woodson County	\$ -	\$ -	\$ -	\$ -	\$ 1,335.21
Wyandotte County	\$ 854,066.91	\$ 562,400.13	\$ 1,024,143.12	\$ 2,869,445.11	\$ 2,935,748.52
Wyandotte County (Race)	\$ 2,201.83	\$ 4,463.71	\$ 7,249.88	\$ 33,396.99	\$ 33,690.81
Abilene	\$ 5,670.69	\$ 20,229.53	\$ 29,997.58	\$ 62,638.49	\$ 108,727.77
Almena	\$ -	\$ -	\$ 1,309.13	\$ 1,827.47	\$ 2,015.61
Altamont	\$ 4,253.16	\$ 7,689.35	\$ 8,426.42	\$ 13,168.85	\$ 12,956.44
Americus	\$ 71.53	\$ 138.26	\$ 1,352.85	\$ 803.81	\$ 1,773.18
Andover	\$ 11,794.79	\$ 20,705.64	\$ 57,215.80	\$ 75,711.50	\$ 91,105.01
Anthony	\$ 3,664.76	\$ 2,203.86	\$ 22,541.13	\$ 31,313.37	\$ 30,334.58
Argonia	\$ 234.40	\$ 252.14	\$ 1,069.56	\$ 2,451.84	\$ 5,691.35
Arkansas City	\$ 29,691.21	\$ 35,944.26	\$ 52,519.05	\$ 159,808.71	\$ 170,241.22
Arma	\$ 2,400.12	\$ 4,148.03	\$ 5,476.96	\$ 6,186.87	\$ 7,242.00
Atchison	\$ 51,413.02	\$ 68,172.45	\$ 87,595.89	\$ 167,369.33	\$ 161,400.50
Auburn	\$ 539.81	\$ 1,251.52	\$ 4,205.77	\$ 6,624.10	\$ 7,038.73
Augusta	\$ 3,485.57	\$ 7,763.91	\$ 31,419.66	\$ 26,443.58	\$ 43,694.28
Baldwin City	\$ 10,071.18	\$ 11,297.76	\$ 20,246.68	\$ 28,748.06	\$ 30,534.77
Basehor	\$ 9,869.05	\$ 15,849.79	\$ 31,692.04	\$ 64,477.18	\$ 62,111.83
Baxter Springs	\$ 38,672.17	\$ 42,367.89	\$ 43,838.74	\$ 80,650.15	\$ 75,948.27
Belle Plaine	\$ 2,283.97	\$ 2,682.79	\$ 3,506.85	\$ 8,396.98	\$ 14,529.11
Beloit	\$ 239.14	\$ 2,387.02	\$ 8,471.65	\$ 18,153.37	\$ 16,705.18
Benton	\$ 335.86	\$ 1,523.42	\$ 4,061.17	\$ 4,322.73	\$ 8,907.78

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Kansas Department of Revenue
Office of Policy and Research
Local Use Tax Distributions

	CY 2001	CY 2002	CY 2003	CY 2004	CY 2005
Blue Rapids	\$ -	\$ -	\$ -	\$ -	\$ 5,632.43
Bonner Springs	\$ 34,549.89	\$ 33,826.37	\$ 56,383.07	\$ 187,041.16	\$ 221,310.87
Bronson	\$ 154.24	\$ 290.24	\$ 714.08	\$ 1,426.57	\$ 1,335.63
Burden	\$ 554.27	\$ 374.55	\$ 2,220.35	\$ 3,695.01	\$ 2,306.50
Burlington	\$ -	\$ -	\$ -	\$ -	\$ 34,293.87
Caldwell	\$ 4,455.21	\$ 2,897.63	\$ 11,923.58	\$ 25,073.50	\$ 25,400.38
Caney	\$ 20,325.87	\$ 17,645.20	\$ 38,030.22	\$ 58,049.49	\$ 68,354.48
Carbondale	\$ -	\$ -	\$ -	\$ -	\$ 3,192.99
Cedar Vale	\$ 2,527.20	\$ 2,099.17	\$ 6,128.26	\$ 8,386.12	\$ 9,962.45
Chanute	\$ 16,863.53	\$ 25,614.23	\$ 42,820.54	\$ 92,636.91	\$ 125,807.83
Cherryvale	\$ 6,502.97	\$ 11,506.91	\$ 16,918.61	\$ 23,429.00	\$ 29,024.56
Chetopa	\$ 7,302.68	\$ 9,889.44	\$ 13,089.58	\$ 15,199.03	\$ 16,420.30
Claflin	\$ 4,142.75	\$ 3,555.86	\$ 11,485.00	\$ 12,546.18	\$ 105.76
Clay Center	\$ 1,589.56	\$ 5,237.32	\$ 9,118.98	\$ 23,704.17	\$ 41,545.91
Coffeyville	\$ 43,443.91	\$ 71,159.28	\$ 143,707.81	\$ 357,431.84	\$ 352,942.88
Colby	\$ -	\$ 4.74	\$ -	\$ -	\$ 10,222.01
Coldwater	\$ 1,410.82	\$ 2,035.12	\$ 5,552.89	\$ 6,055.01	\$ 11,868.18
Collyer	\$ 100.77	\$ 46.29	\$ 449.48	\$ 622.39	\$ 604.90
Columbus	\$ 18,694.97	\$ 23,124.46	\$ 31,772.21	\$ 82,943.65	\$ 67,042.71
Concordia	\$ 7,443.57	\$ 9,335.38	\$ 17,483.99	\$ 46,446.15	\$ 53,456.91
Conway Springs	\$ 391.17	\$ 872.37	\$ 4,314.14	\$ 6,603.23	\$ 12,057.44
Cottonwood Falls	\$ 149.77	\$ 1,032.82	\$ 3,455.91	\$ 4,235.53	\$ 4,535.16
Council Grove	\$ -	\$ -	\$ 267.90	\$ 29,323.48	\$ 19,126.69
Dearing	\$ -	\$ -	\$ 709.60	\$ 1,983.77	\$ 2,297.94
Deerfield	\$ 1,636.37	\$ 677.99	\$ 2,311.11	\$ 3,110.84	\$ 2,339.13
Delphos	\$ 409.47	\$ 344.70	\$ 1,876.17	\$ 2,425.10	\$ 3,228.24
Derby	\$ -	\$ -	\$ 43,956.21	\$ 136,365.00	\$ 126,626.41
DeSoto	\$ 25,005.91	\$ 42,718.12	\$ 142,214.61	\$ 168,438.93	\$ 212,986.19
Dighton	\$ 872.38	\$ 697.62	\$ 4,997.83	\$ 11,889.01	\$ 13,694.61
Dodge City	\$ 44,081.29	\$ 69,323.88	\$ 111,883.77	\$ 326,327.15	\$ 295,298.20
Douglass	\$ 1,543.58	\$ 3,448.42	\$ 8,410.57	\$ 11,741.03	\$ 14,325.06
Easton	\$ 1,180.02	\$ 1,445.37	\$ 2,823.73	\$ 5,335.97	\$ 5,719.62
Edgerton	\$ 9,539.45	\$ 6,840.57	\$ 11,489.94	\$ 10,330.50	\$ 15,679.28
Edna	\$ 2,143.39	\$ 1,696.75	\$ 3,184.21	\$ 4,022.66	\$ 2,982.17
Edwardsville	\$ 20,362.33	\$ 22,542.19	\$ 28,678.48	\$ 80,891.09	\$ 86,588.85
Effingham	\$ 1,546.26	\$ 1,679.99	\$ 4,090.37	\$ 4,956.24	\$ 3,710.36
El Dorado	\$ 10,744.33	\$ 15,172.54	\$ 63,388.57	\$ 133,939.15	\$ 143,423.72
Elkhart	\$ 22,291.88	\$ 21,242.08	\$ 24,288.09	\$ 36,537.32	\$ 57,847.77
Ellis	\$ 5,127.12	\$ 2,809.71	\$ 6,576.92	\$ 10,061.20	\$ 18,812.08
Ellsworth	\$ 1,539.59	\$ 4,296.75	\$ 11,405.38	\$ 17,360.38	\$ 29,003.44
Elwood	\$ 8,591.96	\$ 9,810.69	\$ 15,298.25	\$ 40,063.43	\$ 42,595.44
Emporia	\$ 26,409.46	\$ 47,452.46	\$ 102,776.71	\$ 252,494.72	\$ 270,069.97
Erie	\$ 3,315.25	\$ 3,007.19	\$ 4,232.48	\$ 12,587.14	\$ 21,647.60
Eudora	\$ 7,070.69	\$ 8,061.48	\$ 13,763.33	\$ 19,831.26	\$ 20,915.18
Eureka	\$ 32,472.26	\$ 13,306.21	\$ 24,194.96	\$ -	\$ 1,247.47
Fairway	\$ 10,560.83	\$ 36,086.95	\$ 36,978.63	\$ 79,831.89	\$ 81,898.18
Florence	\$ -	\$ -	\$ -	\$ -	\$ 1,921.45
Fontana	\$ 137.12	\$ 196.22	\$ 402.64	\$ 774.19	\$ 848.71
Fort Scott	\$ 25,083.59	\$ 26,728.95	\$ 48,839.20	\$ 109,681.25	\$ 104,860.81
Frankfort	\$ -	\$ -	\$ 2,314.97	\$ 7,180.45	\$ 7,738.27
Fredonia	\$ 4,251.53	\$ 9,068.68	\$ 17,296.60	\$ 33,573.95	\$ 27,883.04
Frontenac	\$ 13,368.63	\$ 19,648.05	\$ 28,007.06	\$ 48,317.01	\$ 56,494.71

Kansas Department of Revenue
Office of Policy and Research
Local Use Tax Distributions

	CY 2001	CY 2002	CY 2003	CY 2004	CY 2005
Galena	\$ 31,266.82	\$ 25,888.06	\$ 36,276.33	\$ 58,978.45	\$ 65,110.59
Garden City	\$ 64,541.07	\$ 78,773.45	\$ 121,222.09	\$ 245,606.11	\$ 236,598.10
Gardner	\$ 54,800.79	\$ 62,678.51	\$ 136,059.99	\$ 331,829.68	\$ 415,873.76
Garnett	\$ 2,884.61	\$ 4,342.85	\$ 7,128.70	\$ 10,720.50	\$ 13,195.66
Gas	\$ 1,235.19	\$ 758.82	\$ 896.87	\$ 1,977.64	\$ 1,966.16
Geneseo	\$ -	\$ -	\$ -	\$ -	\$ 42.71
Girard	\$ 6,475.40	\$ 9,500.68	\$ 25,614.31	\$ 53,964.52	\$ 51,246.31
Glade	\$ 5.00	\$ 517.02	\$ 445.04	\$ 475.08	\$ 693.78
Glasco	\$ 825.72	\$ 942.57	\$ 2,221.23	\$ 2,879.89	\$ 2,551.21
Grandview Plaza	\$ 177.41	\$ 116.59	\$ 987.96	\$ 3,269.03	\$ 4,396.94
Great Bend	\$ 4,728.63	\$ 7,719.72	\$ 31,361.69	\$ 106,556.99	\$ 91,185.64
Grinnell	\$ -	\$ -	\$ 390.44	\$ 463.41	\$ 546.66
Hardtner	\$ 339.19	\$ -	\$ -	\$ -	\$ -
Harper	\$ 441.17	\$ 854.35	\$ 5,962.52	\$ 16,127.90	\$ 18,725.02
Hays	\$ 60,866.87	\$ 78,688.94	\$ 113,240.50	\$ 262,416.99	\$ 484,060.34
Herington	\$ 3,556.05	\$ 6,579.76	\$ 11,159.60	\$ 23,619.79	\$ 17,966.82
Hiawatha	\$ 16,478.62	\$ 18,792.67	\$ 20,116.06	\$ 25,430.03	\$ 44,686.80
Hill City	\$ 2,258.58	\$ 2,106.60	\$ 6,146.30	\$ 11,438.33	\$ 11,032.14
Hillsboro	\$ 744.10	\$ 2,270.26	\$ 4,754.45	\$ 3,102.01	\$ 9,300.48
Hoisington	\$ -	\$ -	\$ -	\$ 7,285.30	\$ 498.33
Holton	\$ 799.05	\$ 1,493.07	\$ 3,488.13	\$ 2,755.99	\$ 8,334.28
Horsethief Reservoir	\$ -	\$ -	\$ -	\$ 5,606.35	\$ 11,386.02
Horton	\$ 3,563.13	\$ 4,267.15	\$ 10,683.79	\$ 16,147.05	\$ 17,828.66
Hugoton	\$ 21,379.23	\$ 18,459.38	\$ 28,084.87	\$ 48,649.54	\$ 55,301.51
Humboldt	\$ 1,489.67	\$ 2,400.76	\$ 4,695.11	\$ 20,827.02	\$ 19,712.69
Hutchinson	\$ 45,536.10	\$ 74,895.88	\$ 150,240.70	\$ 387,629.79	\$ 370,842.58
Independence	\$ 38,092.66	\$ 61,387.46	\$ 116,742.60	\$ 279,498.30	\$ 268,999.48
Iola	\$ 8,614.03	\$ 17,009.12	\$ 28,768.63	\$ 76,224.79	\$ 62,421.84
Junction City	\$ 10,222.50	\$ 23,694.79	\$ 77,287.59	\$ 157,058.95	\$ 139,712.74
Kanopolis	\$ 178.37	\$ 1,091.63	\$ 1,116.59	\$ 3,714.22	\$ 2,129.71
Kansas City	\$ 796,527.18	\$ 496,918.94	\$ 905,526.75	\$ 2,649,917.73	\$ 3,301,649.78
Kincaid	\$ 12.24	\$ 341.61	\$ 1,310.16	\$ 792.41	\$ 1,537.88
Kingman	\$ -	\$ -	\$ -	\$ -	\$ 19,843.43
Kiowa	\$ 326.73	\$ 1,208.83	\$ 5,838.64	\$ 12,099.81	\$ 8,284.69
LaCrosse	\$ 1,443.80	\$ 356.53	\$ 2,178.99	\$ 4,850.69	\$ 7,326.02
LaCygne	\$ 1,189.14	\$ 451.04	\$ 11,827.34	\$ 24,720.68	\$ 22,296.66
Lakin	\$ 9,082.41	\$ 7,711.55	\$ 14,863.84	\$ 20,218.91	\$ 24,129.75
Lansing	\$ 34,276.19	\$ 37,230.14	\$ 49,857.48	\$ 91,517.33	\$ 92,110.77
Larned	\$ -	\$ -	\$ -	\$ -	\$ 6,527.93
Lawrence	\$ 220,286.10	\$ 234,608.09	\$ 435,020.45	\$ 858,805.02	\$ 882,730.06
Leavenworth	\$ 116,728.64	\$ 128,983.49	\$ 176,221.27	\$ 298,282.52	\$ 330,274.14
Leawood	\$ 487,905.87	\$ 581,156.28	\$ 847,650.48	\$ 1,330,552.94	\$ 1,258,469.63
Lenexa	\$ 472,107.42	\$ 500,019.21	\$ 1,070,651.61	\$ 4,617,918.26	\$ 5,475,998.16
Liberal	\$ 20,681.18	\$ 23,542.61	\$ 133,278.77	\$ 305,615.59	\$ 342,001.12
Lindsborg	\$ 2,951.06	\$ 5,882.40	\$ 18,135.81	\$ 22,951.12	\$ 25,274.78
Linwood	\$ -	\$ -	\$ 2,639.63	\$ 7,218.73	\$ 7,050.99
Longford	\$ -	\$ 10.27	\$ 716.59	\$ 571.75	\$ 1,103.87
Louisburg	\$ 16,293.38	\$ 15,665.60	\$ 39,376.82	\$ 107,584.72	\$ 81,739.47
Lyndon	\$ 20.93	\$ 592.13	\$ 4,753.22	\$ 8,528.90	\$ 5,695.21
Lyons	\$ 30.34	\$ 2,652.18	\$ 6,811.85	\$ 14,866.26	\$ 12,610.68
Manhattan	\$ 66,956.84	\$ 102,210.47	\$ 265,228.63	\$ 581,922.05	\$ 534,434.32
Mankato	\$ -	\$ -	\$ -	\$ -	\$ 445.34

Kansas Department of Revenue
Office of Policy and Research
Local Use Tax Distributions

	CY 2001	CY 2002	CY 2003	CY 2004	CY 2005
Maple Hill	\$ -	\$ -	\$ 1,527.95	\$ 2,875.13	\$ 2,813.69
Marion	\$ 312.91	\$ 2,574.99	\$ 8,033.14	\$ 11,765.95	\$ 12,419.43
Marysville	\$ 10,810.31	\$ 13,730.79	\$ 25,331.71	\$ 60,635.03	\$ 76,184.52
Matfield Green	\$ -	\$ 128.98	\$ -	\$ -	\$ -
Mayfield	\$ 151.50	\$ 273.71	\$ 81.35	\$ 195.23	\$ 342.58
McPherson	\$ -	\$ 520.90	\$ 34,332.12	\$ 117,379.50	\$ 88,014.31
Medicine Lodge	\$ 1,849.47	\$ 1,180.36	\$ 5,555.87	\$ 9,890.05	\$ 17,465.47
Merriam	\$ 230,134.28	\$ 250,925.26	\$ 343,298.38	\$ 675,596.05	\$ 706,772.63
Miltonvale	\$ 951.35	\$ 1,245.67	\$ 3,293.78	\$ 5,170.83	\$ 7,754.31
Minneapolis	\$ 527.52	\$ 1,957.12	\$ 2,264.20	\$ 5,700.94	\$ 7,484.33
Minneola	\$ 810.77	\$ 316.00	\$ 2,004.79	\$ 4,979.18	\$ 4,162.45
Mission	\$ 78,789.33	\$ 82,167.37	\$ 185,080.56	\$ 387,885.20	\$ 742,966.10
Mission Hills	\$ -	\$ -	\$ -	\$ -	\$ 92,737.19
Moran	\$ 908.32	\$ 768.94	\$ 1,081.53	\$ 2,427.34	\$ 3,046.35
Morland	\$ -	\$ 49.50	\$ 1,432.42	\$ -	\$ 1,339.57
Moscow	\$ -	\$ -	\$ 17.00	\$ 12,067.46	\$ 11,056.44
Mound City	\$ 804.40	\$ 429.96	\$ 5,336.45	\$ 7,207.91	\$ 9,126.71
Neodesha	\$ 9,226.13	\$ 18,990.55	\$ 40,575.66	\$ 66,097.18	\$ 73,125.48
Ness City	\$ -	\$ 14.50	\$ 6,480.60	\$ 15,030.75	\$ 11,958.90
Norton	\$ 4,209.15	\$ 5,213.07	\$ 9,972.16	\$ 17,030.31	\$ 17,090.88
Ogden	\$ 1,209.72	\$ 1,590.35	\$ 7,092.89	\$ 7,273.86	\$ 7,862.09
Olathe	\$ 850,222.57	\$ 956,897.29	\$ 1,261,363.25	\$ 2,145,284.11	\$ 2,372,264.07
Olpe	\$ -	\$ -	\$ -	\$ -	\$ 1,133.49
Onaga	\$ 689.36	\$ 496.34	\$ 2,866.72	\$ 13,298.77	\$ 13,454.12
Osage City	\$ -	\$ -	\$ 79.62	\$ 22,753.13	\$ 20,615.34
Osawatomie	\$ 3,341.72	\$ 5,671.18	\$ 9,108.91	\$ 15,467.18	\$ 17,336.94
Oswego	\$ 6,105.08	\$ 9,363.37	\$ 11,953.14	\$ 16,431.20	\$ 14,460.45
Ottawa	\$ 13,784.49	\$ 17,372.20	\$ 49,431.32	\$ 96,605.31	\$ 87,162.24
Overbrook	\$ 148.29	\$ 585.11	\$ 4,343.62	\$ 7,992.14	\$ 7,294.94
Overland Park	\$ 1,872,765.09	\$ 2,236,706.03	\$ 2,456,148.84	\$ 9,805,444.36	\$ 12,277,528.58
Oxford	\$ 2,306.69	\$ 2,162.11	\$ 2,829.15	\$ 5,421.37	\$ 9,713.61
Paola	\$ 25,486.40	\$ 22,482.29	\$ 46,073.62	\$ 93,569.89	\$ 104,346.76
Parker	\$ -	\$ -	\$ 10.87	\$ 1,843.06	\$ 1,925.03
Parsons	\$ 34,371.76	\$ 32,538.84	\$ 55,964.95	\$ 113,478.49	\$ 155,664.68
Paxico	\$ 279.49	\$ 434.78	\$ 1,721.11	\$ 1,146.28	\$ 1,774.42
Perry	\$ 1,865.56	\$ 1,226.72	\$ 2,222.48	\$ 4,279.46	\$ 4,058.46
Phillipsburg	\$ 8,298.64	\$ 10,279.73	\$ 21,382.28	\$ 36,749.44	\$ 43,557.02
Pittsburg	\$ 35,302.80	\$ 47,897.04	\$ 67,275.62	\$ 129,905.41	\$ 158,169.89
Plainville	\$ 2,027.83	\$ 2,871.71	\$ 7,011.54	\$ 16,763.22	\$ 18,289.12
Pleasanton	\$ 586.62	\$ 326.52	\$ 7,128.23	\$ 9,069.69	\$ 12,003.07
Pomona	\$ 804.97	\$ 2,792.88	\$ 6,100.91	\$ 3,569.34	\$ 5,447.22
Prairie Village	\$ 198,089.76	\$ 231,733.79	\$ 233,360.00	\$ 343,779.56	\$ 340,295.80
Pratt	\$ 470.43	\$ 1,412.97	\$ 15,775.78	\$ 60,432.89	\$ 48,704.97
Princeton	\$ 261.96	\$ 315.76	\$ 683.13	\$ 1,056.67	\$ 1,009.82
Protection	\$ 1,473.18	\$ 1,942.11	\$ 2,507.13	\$ 3,549.35	\$ 3,518.67
Ransom	\$ 44.79	\$ 48.80	\$ 544.49	\$ 1,017.56	\$ 1,101.95
Richmond	\$ -	\$ -	\$ -	\$ -	\$ 877.98
Riley	\$ 617.66	\$ 1,235.75	\$ 4,552.25	\$ 11,436.14	\$ 10,124.97
Roeland Park	\$ 42,553.17	\$ 45,785.44	\$ 80,371.95	\$ 72,862.65	\$ 98,207.30
Rolla	\$ 2,435.17	\$ 2,879.55	\$ 3,494.52	\$ 10,075.73	\$ 4,205.48
Rose Hill	\$ 2,340.02	\$ 7,016.46	\$ 22,996.74	\$ 24,384.36	\$ 28,943.59
Rossville	\$ 405.04	\$ 772.26	\$ 2,098.19	\$ 4,526.99	\$ 5,155.31

Kansas Department of Revenue
Office of Policy and Research
Local Use Tax Distributions

	CY 2001	CY 2002	CY 2003	CY 2004	CY 2005
Sabetha	\$ 2,021.62	\$ 2,224.63	\$ 8,280.35	\$ 20,333.41	\$ 24,887.64
Saint Marys	\$ 1,514.16	\$ 2,445.78	\$ 6,602.73	\$ 20,508.64	\$ 25,954.02
Saint Paul	\$ 4,327.94	\$ 3,472.49	\$ 4,690.91	\$ 10,162.81	\$ 10,693.17
Salina	\$ 47,840.09	\$ 79,414.10	\$ 170,857.60	\$ 475,013.20	\$ 431,393.84
Satanta	\$ 1,057.13	\$ 1,601.53	\$ 3,363.29	\$ 5,564.08	\$ 6,416.69
Scammon	\$ 1,418.68	\$ 2,321.37	\$ 4,674.61	\$ 2,958.18	\$ 4,778.94
Sedan	\$ 2,517.50	\$ 3,262.99	\$ 7,052.82	\$ 5,300.00	\$ 14,418.64
Shawnee	\$ 453,334.11	\$ 521,577.09	\$ 754,959.71	\$ 1,604,867.79	\$ 1,621,256.39
Smith Center	\$ 468.28	\$ 1,241.03	\$ 7,285.18	\$ 7,521.80	\$ 11,299.16
South Hutchinson	\$ 1,269.35	\$ 1,432.46	\$ 10,395.32	\$ 18,300.13	\$ 18,937.58
Spivey	\$ 1.10	\$ 2,590.89	\$ 521.54	\$ 320.89	\$ 804.07
Spring Hill	\$ 24,953.38	\$ 22,767.74	\$ 41,584.24	\$ 69,414.03	\$ 92,098.44
Stockton	\$ 2,177.84	\$ 5,152.85	\$ 8,281.03	\$ 15,792.17	\$ 18,267.60
Strong City	\$ 172.66	\$ 518.22	\$ 1,835.90	\$ 4,842.21	\$ 3,581.64
Sublette	\$ 1,819.96	\$ 1,847.45	\$ 4,014.05	\$ 7,252.70	\$ 13,354.40
Syracuse	\$ 5,709.16	\$ 6,327.01	\$ 9,235.72	\$ 18,810.24	\$ 17,877.62
Thayer	\$ 1,111.88	\$ 525.11	\$ 1,355.11	\$ 4,758.04	\$ 4,545.20
Tonganoxie	\$ 10,394.54	\$ 13,446.37	\$ 31,292.92	\$ 45,259.00	\$ 50,286.10
Topeka	\$ 201,302.03	\$ 229,269.92	\$ 640,274.00	\$ 2,358,579.04	\$ 2,360,211.70
Toronto	\$ 207.90	\$ 136.21	\$ 218.81	\$ 548.26	\$ 614.71
Towanda	\$ 3,563.42	\$ 4,640.62	\$ 10,635.21	\$ 22,132.89	\$ 21,771.96
Udall	\$ -	\$ -	\$ -	\$ -	\$ 246.98
Ulysses	\$ 25,689.80	\$ 31,955.23	\$ 58,947.36	\$ 210,801.64	\$ 139,310.81
Wakeeney	\$ 3,690.87	\$ 3,528.54	\$ 6,417.15	\$ 14,769.72	\$ 14,908.53
Wakefield	\$ 604.78	\$ 2,308.43	\$ 3,256.17	\$ 6,318.37	\$ 5,417.92
Wamego	\$ 6,394.43	\$ 14,111.99	\$ 49,472.05	\$ 105,622.82	\$ 120,057.74
Washburn University	\$ 211,146.92	\$ 252,283.25	\$ 514,526.28	\$ 1,744,083.66	\$ 1,749,479.10
Waterville	\$ -	\$ -	\$ -	\$ -	\$ 1,885.14
Weir	\$ 3,102.13	\$ 4,626.92	\$ 5,850.30	\$ 7,896.13	\$ 5,379.73
Wellington	\$ 11,054.64	\$ 18,622.94	\$ 53,182.45	\$ 66,170.86	\$ 107,975.59
Wellsville	\$ 2,303.98	\$ 2,774.68	\$ 6,052.07	\$ 9,751.21	\$ 8,038.46
Westmoreland	\$ 174.65	\$ 334.73	\$ 3,201.44	\$ 5,421.90	\$ 4,276.45
Westwood	\$ 14,812.29	\$ 21,901.47	\$ 22,312.88	\$ 60,591.58	\$ 74,669.00
Westwood Hills	\$ 5,992.22	\$ 4,121.26	\$ 3,865.20	\$ 4,598.75	\$ 5,714.79
Williamsburg	\$ 1,111.35	\$ 912.56	\$ 2,270.31	\$ 2,495.58	\$ 3,772.02
Wilson	\$ 561.61	\$ 631.16	\$ 5,360.29	\$ 7,349.65	\$ 12,659.93
Winfield	\$ 19,061.61	\$ 21,278.87	\$ 44,424.95	\$ 90,314.16	\$ 95,704.67
Wyandotte County Race Tr	\$ 4,831.26	\$ 4,514.06	\$ 7,249.88	\$ 32,357.96	\$ 41,851.18
Yates Center	\$ 3,945.29	\$ 10,884.32	\$ 18,084.06	\$ 12,996.63	\$ 24,877.22
County	\$ 8,611,315.85	\$ 9,874,791.91	\$ 16,312,199.89	\$ 43,903,661.45	\$ 50,685,777.01
City	\$ 8,638,600.68	\$ 9,371,425.18	\$ 15,159,624.15	\$ 40,921,208.39	\$ 46,409,256.81
Cross foot	\$ 17,249,916.53	\$ 19,246,217.09	\$ 31,471,824.04	\$ 84,824,869.84	\$ 97,095,033.82

2-10

K-STATE PULL FACTOR FORMULAS

1. County Trade Pull Factor = $\frac{\text{County Per Capita Sales Tax Collections}}{\text{State Per Capita Sales Tax Collections}}$
2. County Trade Area Capture = County Pull Factor X County Population
3. County Percent Market Share = $\frac{\text{County Trade Area Capture}}{\text{State Trade Area Capture}}$

Source: Sreedhar Upendram and David L. Darling, *County Trade Pull Factors: Annual Report for Fiscal Year 2004*. K-State Research and Extension, Dept. of Agricultural Economics, C.D. Study Report # 230: October 2004.

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Smith County Places	Collections	Adjusted 2003 Population	Per Capita Sales Tax Collections	Pull Factors	Trade Area Capture	Percent of County Sales	Smith County Places
Athol	\$ 38,178	47	\$812.30	1.31	62	2.80%	Athol
Cedar	\$ 4,846	24	\$201.92	0.33	8	0.35%	Cedar
Gaylord	\$ 11,982	131	\$91.47	0.15	19	0.88%	Gaylord
Kensington	\$ 160,527	461	\$348.22	0.56	260	11.75%	Kensington
Lebanon	\$ 43,545	279	\$156.07	0.25	70	3.19%	Lebanon
Smith Center	\$ 915,512	1709	\$535.70	0.87	1482	67.03%	Smith Center
Rest of County	\$ 191,161	1435	\$133.21	0.22	309	14.00%	Rest of County
Total	\$1,365,752	4086	\$334.25	0.54	2211	100.00%	Total

This is a study of retail activity based on FY 2004 sales tax data from the KS Dept. of Revenue. This study was done May 2 of 2005. The 2003 Census estimates are adjusted downward because of the 95 institutionalized people.

Source: K-State Research and Extension
 Contact David L. Darling for more information, by phone 785-532-6925, by e-mail at ddarling@ksu.edu, or his website at www.agecon.ksu.edu/dda

TABLE 1: TAXABLE RETAIL SALES FOR FY 2004

<u>COUNTY NAME</u>	<u>COUNTY PERCENT</u>	<u>CUMMULAIVE PERCENT</u>
1. Johnson	26.17	Metropolitan Counties
2. Sedgwick	20.03	46.20
3. Shawnee	7.36	53.56
4. Wyandotte	4.84	58.40
5. Douglas	3.70	62.10
6. Leavenworth	1.49	63.59
7. Butler	1.46	65.05
8. Harvey	0.99	66.04
9. Miami	0.78	66.82
10. Sumner	0.43	67.25
11. Saline	2.65	Micropolitan Counties
12. Riley&Pot.	2.68	5.33
13. Reno	2.42	7.75
14. Finney	1.50	9.25
15. Ellis	1.39	10.36
16. Ford	1.19	11.83
17. Lyon	1.14	12.97
18. Crawford	1.10	14.07
19. Montgomery	1.08	15.15
20. Barton	1.06	16.21
21. Seward	0.98	17.19

Twenty-one Kansas Counties generate 84.44 percent of all sales taxes collected by the state of Kansas. Thus, 20 percent of the counties generated 84 percent of all sales tax revenues leaving the other 80 percent to generate the rest (15.56%).

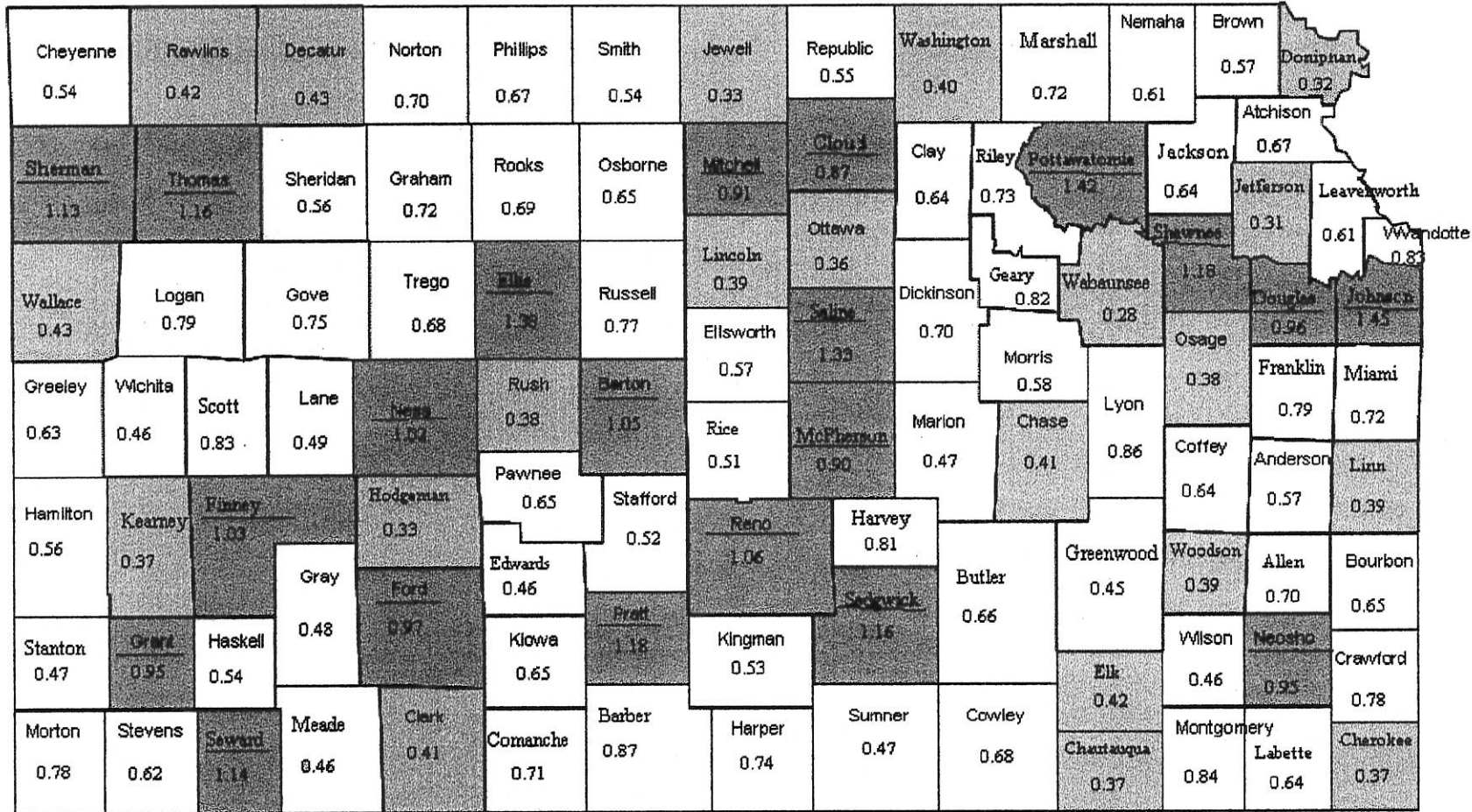
Source: David Darling based on data from the *Kansa Department of Revenue*. Prepared on February 13, 2006.

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105 County Average = 0.68
 Maximum Value = 1.45
 Minimum Value = 0.28

MAP 1
 COUNTY TRADE PULL FACTORS
 2004

Dr. David Darling
 Sreedhar Upendram
 November 2004



Data Source: Kansas Department of Revenue - Sales Tax Revenue Report
 Map Produced by: K-State Research and Extension, Department of Agricultural Economics

Counties in Red and Underlined are in Top quintile
 Counties in White are in Middle quintile
 Counties in Blue are in Bottom quintile

2-14



League of Kansas Municipalities

To: Senate Assessment & Taxation
From: Kimberly Winn, Director of Policy Development & Communications
Date: February 14, 2006
Re: Support for SB 488

Thank you for the opportunity to appear today on behalf of the member cities of the League of Kansas Municipalities (LKM) in support of SB 488.

Revenue sharing between the State of Kansas and local governments dates back to at least the 1930's. The "County and City Revenue Sharing Fund" was established during the 1978 Legislative Session. Prior to that time, cities and counties received a portion of the cigarette and liquor enforcement tax revenues. As part of an agreement between the State and cities and counties, the "County and City Revenue Sharing Fund" was established to offset losses resulting from the removal of the local portion of the cigarette and liquor enforcement tax revenues. I am attaching to this testimony a legislative briefing from the 1978 Legislative Session which highlights this agreement.

Beginning in the 1990's, the Legislature started siphoning monies from the local revenue sharing funds. Each year, the percentage cut grew larger and larger until 2002 when Governor Bill Graves utilized the allotment system to take the second half of that year's demand transfers. The following year, Governor Kathleen Sebelius and the Kansas Legislature ratified the complete elimination of the funds for the "County and City Revenue Sharing Fund" and the Local Ad Valorem Tax Reduction Fund.

While cities understand the financial difficulties faced by the State during this time, the total elimination of these revenue sharing funds represented a serious breach in the agreement between the State and local governments which had been in place for many years. SB 488 is a step in the right direction toward rebuilding that partnership between the State and local governments. It will provide greatly needed revenues to the areas of the state with the greatest need.

On behalf of our member cities, we thank you for addressing this very important issue and we wholeheartedly support SB 488 and ask for your favorable consideration.

Recreation. HB 2690 Sales Tax On Food. HB 2827 Wichita Sales Tax. HB 2964 Sales Tax; Food Refund. HB 2986 Sales Tax on Farm Machinery. HB 3014 Retail Sales Tax. HB 3098 Local Sales Tax-Farm Machinery. HB 3124 Wichita Income Tax. HB 3148 Sales Tax; Food Refund.

7. STATE AIDS AND SHARED TAXES

- State Grants. SB 940 appropriates \$507,500 for grants to local and regional libraries. HB 2586 increases the state connecting link payments to cities from \$750 to \$1,250 per lane mile. HB 3166 as amended by HB 3276 appropriates \$100,000 for grants for planning public airports. HB 3167 appropriates \$350,000 to local health units and \$117,336 for matching federal omnibus crime act grants to local units. HB 3182 as amended by HB 3276 appropriates \$250,000 for grants to multi-county planning commissions. Section 50 of HB 3276 appropriates \$5 million in highway aid to cities and counties To Gov.
- SB 548 State-Local Revenue Sharing. Establishes a new "county and city revenue sharing fund", eliminating the present city-county sharing of cigarette and liquor enforcement tax revenues and modifying the present local ad valorem tax reduction fund (LATRF). New Fund. The new fund will be financed by 3-1/2% of state sales and use tax collections, to be apportioned to each county area based 65% on population and 35% on assessed valuation. The amount apportioned to the county area is then paid 50% to cities therein based on population and 50% to the county, with all payments made directly by the state, to be deposited in the city or county general fund. LATRF Fund. The LATRF fund will continue to receive 4-1/2% of state sales and use tax receipts (proceeds of the domestic insurance companies premium tax will be paid to the state general fund and not to LATRF.) The LATRF will continue to be apportioned to all taxing subdivisions (excludes USDs) within each county area; the amount apportioned to each county area will be based 65% on population and 35% on valuation compared to the present 50-50 formula. Net Effect. The 8% sharing of sales tax receipts (new 3-1/2% fund plus present 4-1/2% LATRF) is estimated to increase the total allocation to general local units by approximately \$1 million more than if existing aid plans had been in effect for FY 1979, with greater growth potential than present cigarette taxes. At present, the three aid plans (cigarette, liquor, LATRF) combined are weighted about 64% population. Effective January 1, 1979.

RELATED BILLS KILLED: SB 161 Sales Tax; Local Sharing. SB 189 Motor Fuel Tax Refunds. SB 262 State-Federal Revenue Sharing. SB 571 State Revenue Sharing; Tax Lid; Budget Lid. SB 790 LAVTRF Increase. HB 2202 Motor Carrier Property Tax-Highway Aid. HB 2273 Sales Tax; Local Sharing. HB 2510 Bicycle Paths Aid. HB 2540 Insurance Tax for Law Enforcement. HB 2733 Bus Fuel Tax Refund. HB 2934 Traffic Fines for Highways. HB 3061 Motor Vehicle Sales Taxes for Highways. HB 3095 Revenue Sharing-Tax Lid.

8. HEALTH AND ENVIRONMENT

- SB 734 Township Hospitals. Amends various township hospital statutes to eliminate tax levy rate limitations for operation and maintenance and building funds for township hospitals. Increases over present rates subject to protest petition and referendum.
- SB 792 Hospital Records. Amends several sections to require that certain records of county and townships hospitals be kept and maintained as part of the public records of the county or township.
- SB 801 City Hospitals. Amends several sections relating to city hospitals, generally authorizing an increase in the number of board of trustees of such hospital to seven or nine members.
- HB 3167 Aid for Local Health, Aging. Appropriates state funds for various purposes, including \$350,000 of state general fund "aid to local health units." (As amended by HB 3276, does not prohibit area agencies on aging from providing legal services)
- HB 3197 Hospital Districts. Amends four statutes which authorize certain cities and townships to create a hospital district to provide that the term "hospital" shall also include a medical clinic.
- HB 3199 Health Facilities. Amends Supp. 65-4801 et seq., revising certain procedures as to obtaining DHE certificates of need for health facilities.
- HB 3253 County Hospitals. Repeals K.S.A. 19-1856 and provides for membership and duties of boards of trustees of certain county hospitals, and authorizes 2 mill county tax levy for the operation of such hospitals. Also amends Supp. 19-1878 to authorize certain counties to issue additional bonds or levy additional taxes for the purchase or construction and operation of a medical clinic if the original funds are insufficient.

RELATED BILLS KILLED: SB 147 Beverage Containers. SB 273 Health Care. SB 574 Environmental Suits. SB 715 Litter Control. SB 735 County Hospital Levies. HB 2451 Local Drug Abuse Systems. HB 2453 Health Care Cost. HB 2519 Nuisance Birds. HB 2526 Drug Treatment. HB 2533 Beverage Containers. HB 2568 Air Quality Regulations. HB 2574 Noise Control. HB 2771 Local Alcohol and Drug Abuse. HB 2811 Beverage Containers. HB 3038 Community Mental Health Aid.

9. PLANNING AND LAND USE

- SB 361 Mobile Home Tie-downs. Amends several sections to provide more flexibility regarding mobile home



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TESTIMONY

To: Senate Taxation Committee
Senator Barbara Allen, Chair

From: Brent Haden, Assistant Counsel, Kansas Livestock Association

Date: February 14, 2006

Re: SB 443

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 6,000 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seed stock, cow-calf and stocker production, cattle feeding, grazing land management and diversified farming operations.

Good morning Madame Chair and members of the Committee. My name is Brent Haden, and I serve as Assistant Counsel for the Kansas Livestock Association. I appreciate the opportunity to testify this morning to discuss KLA's support for SB 443.

Last year, SB 158 was passed into law. SB 158 expanded K.S.A. 79-201d to allow landowners to claim a property tax exemption for any newly constructed hay barn in eight of the ten years after its construction. When we called the Kansas Department of Revenue at the end of 2005 to discuss procedures for landowners wishing to claim the new hay barn exemption, it was discovered that unlike other agricultural exemptions, the new hay barn exemption could not be granted by the county appraiser, but instead would require the landowner to petition the Board of Tax Appeals. The petition requires an application fee, and requires the landowner to apply for the exemption each year.

To remedy this problem, and to bring the current provisions of K.S.A. 79-201d into line with other agricultural exemptions, KLA is asking for the passage of SB 443. SB 443 amends K.S.A. 79-213 to add the provisions of K.S.A. 79-201d to the list of tax exemptions that *do not* require an initial appeal to the Board of Tax Appeals.

Instead, landowners seeking the hay barn exemption will be able to receive their exemption by informing the county appraiser without the need to go through the BoTA process, just as they now do to receive property tax exemptions on agricultural machinery and grain.

KLA believes this change will help make the exemption system more uniform and easier to use.

In conclusion, KLA respectfully requests that this Committee report SB 443 favorably to the floor of the Senate for final action. KLA stands ready to assist the Committee in any way we can, and I thank you for your time this morning.

Testimony

To: Senate Committee on Assessment and Taxation
Senator Barbara Allen, Chairperson

From: David L. Hetrick, CPA
Lewis, Hooper & Dick, LLC

Re: Senate Bill 444

Dear Senator Allen and Committee Members,

We appreciate the opportunity to provide our views in support of Senate Bill 444, and to provide some insight into what we believe are the problems of interpretation in the existing law.

Net Operating Losses

In order to administer an income tax system, taxable income and the income tax are determined on an annual basis. Generally the items of income and loss of one year do not affect the tax in another year. In the interest of fairness the government has enacted certain exceptions to this general principal.

For example, assume a business has a \$100,000 profit in 2002, a (\$100,000) loss in 2003 and a \$100,000 profit again in 2004. Over the three year period it has income totaling \$100,000. Assuming a 7% income tax, if each year truly stood on its own the business would pay income tax of \$7,000 in 2002, \$0 in 2003 and \$7,000 in 2004 for a total of \$14,000 over three years on income of only \$100,000 over this period.

To counteract this problem the net operating loss provisions were enacted to allow a business with a net loss in one year, to carry that loss forward to future years or back to previous years to offset income in those years.

Internal Revenue Code § 172 generally allows a business to carry the loss back to the prior two years, and any loss that was not used in those years to carry forward to the next twenty years or until used up. If there is not enough income in this 22 year period the loss expires unused.

IRC §172 (b)(3) allows the taxpayer to elect to forego the carry back of the loss, and carry the entire loss forward to future years.

Assessment & Taxation
Date 2-14-06
Attachment # 5

Background on Kan. Stat. Ann. § 79-32,143 regarding Net Operating Losses

Since 1987, Kansas has generally not allowed taxpayers to carry a net operating loss back to prior years, but Kansas does allow a carry forward of the loss for ten years.

Kan. Stat. Ann. § 79-32,143(a) generally provides that "For net operating losses incurred in taxable years beginning after December 31, 1987, a net operating loss deduction shall be allowed in the same manner that it is allowed under the federal internal revenue code except that such net operating loss may only be carried forward to each of the 10 taxable years following the taxable year of the net operating loss."

In 1998, Congress added language to IRC § 172(b)(1)(F)(ii) (now re-designated as § 172(b)(1)(G)) which provides that "In the case of a taxpayer which has a farming loss (as defined in subsection (i)) for a taxable year, such farming loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss."

In adopting this change to § 172(b)(1) the House committee explained that "The NOL carryback and carryforward rules allow taxpayers to smooth out swings in business income (and Federal income taxes thereon) that result from business cycle fluctuations and unexpected financial losses. Farmers are particularly vulnerable to such fluctuations and losses. The Committee believes that farmers who suffer losses from their farming business should have an extended period in which to use such losses to offset taxable income in prior years."

The Report of the Special Committee on Assessment and Taxation to the 2000 Kansas Legislature concluded that "the Committee notes the importance of the income tax in timing of marketing efforts and strategies for sale of farm products as well as the benefits of smoothing volatility in farm income for state revenue planning purposes. This issue is especially important to Kansas farmers at the current time due to low commodity prices. Therefore, the Committee recommends introduction of a bill to provide income loss carryback of five years on farm income to mirror the federal law."

The Kansas Legislature responded to the new Internal Revenue Code provision in 2000 by adding the following sentence to § 79-32,143(a) to provide some needed tax relief to Kansas farmers. "For net operating farm losses, as defined by subsection (i) of section 172 of the federal internal revenue code, incurred in taxable years beginning after December 31, 1999, a net operating loss deduction shall be allowed in the same manner that it is allowed under the federal internal revenue code except that such net operating loss may be carried forward to each of the 10 taxable years following the taxable year of the net operating loss."

However, due to concerns about the possible effect of these carrybacks on the Treasury the legislature added § 79-32,143(f) which provides that "No refund of income tax which results from a net operating loss carry back shall be allowed in an amount exceeding \$1,500 in any year. Any excess amount may be carried back or forward to any other year or years as provided by this section."

Interpretation of the limitation of overpayments under K.S.A. § 79-32,143(f)

The addition in 2000 of the provision in K.S.A. § 79-32,143 allowing a carry back of a net operating loss from farming was intended to assist farmers who are more vulnerable to large swings in income than other taxpayers. The way that the provision is being interpreted may actually prolong the time before a farmer receives a Kansas tax refund on account of the Net Operating Loss.

Before the law was changed in 2000, a farmer who elected to carry his federal net operating loss back to receive an immediate refund would carry his Kansas net operating loss forward to the following year, like other Kansas taxpayers. Since 2000 a Kansas farmer is required to carry his Kansas farm loss back if he elects to carry his federal loss back, even though his refund is limited to \$1,500 per year.

We can illustrate the problem with our experience in representing a Kansas farm corporation. For the 2001 tax year, the taxpayer reported a loss on its Kansas income tax return of \$764,353. Taxpayer attached Form K-139F to carry this loss back to the 1996 tax year under the provisions of § 79-32,143 resulting in an overpayment of \$56,180. Taxpayer claimed the \$1,500 refund on Form K-120 for 2001, resulting in an overpayment of \$54,680 (\$56,180 less \$1,500 refund).

For the 2002 tax year, the taxpayer reported income on its Kansas income tax return of \$747,656. The income tax on this income amounted to \$53,277 before credits. Taxpayer claimed the \$54,680 overpayment remaining from the carry back of its 2001 loss as a credit on its 2002 return. \$53,277 of this credit was used to offset the income tax and the remaining \$1,403 was claimed as a refund since it did not exceed the \$1,500 limitation on refunds imposed by K.S.A. § 79-32,143(f).

The Department of Revenue sent a notice denying all but \$1,500 of the claimed credit and required the taxpayer to pay \$51,777 of tax (\$53,277 tax less \$1,500 credit) plus penalties and interest. We referred this matter to the problems resolution officer and ultimately to an appeals hearing officer and were informed that this is the official interpretation of the Department of Revenue.

The Department of Revenue interprets K.S.A. § 79-32,143(f) as requiring the payment of the \$56,180 overpayment resulting from the carryback of the net operating loss from farming at the rate of \$1,500 per year. This interpretation means that the taxpayer has to pay more than \$50,000 of tax at the same time that the State is holding over \$50,000 of the taxpayer's money. The Taxpayer will have to wait 38 years to receive refunds totaling the entire amount of the overpayment. We do not believe that this is a reasonable interpretation of K.S.A. § 79-32,143.

The addition in 2000 of the provision in K.S.A. § 79-32,143 allowing a carry back of a net operating loss from farming was intended to assist farmers who are more vulnerable to large swings in income than other taxpayers. If this provision had not been enacted the Taxpayer would have carried its 2001 loss of \$764,353 forward and completely offset the taxable income of \$747,656 for the 2002 tax year. The taxpayer would offset all of the 2002 income and would have a net operating loss carryover of \$16,697 available to reduce any income in future years.

The taxpayer applied its unused overpayment from the net operating loss carryback to its tax liability in the later year. We believe this follows the intent of K.S.A. §79-32,143(f). We believe that the Secretary's interpretation of the provision ignores the last sentence of § 79-32,143(f) which provides that "Any excess amount may be carried back or forward to any other year or years as provided by this section."

The Department of Revenue treats the application of overpayment to tax liabilities as a refund and limits the amount to \$1,500. This is not consistent with other provisions of the Kansas Statutes. For example K.S.A. 79-32,105 provides that "no refund shall be made for a sum less than \$5, but such amount may be claimed by the taxpayer as a credit against the taxpayer's tax liability in the taxpayer's next succeeding taxable year." Clearly there is a difference between a refund and a credit against future taxes.

We believe that K.S.A. §79-32,143 should allow a taxpayer to carry forward the overpayment resulting from the carryback of a net operating farm loss and to apply that overpayment against the income tax liabilities in the succeeding years in a manner that would offset the income tax liability for that year and provide a refund of no more than \$1,500.

This would put farmers in the same position as other taxpayers by allowing the overpayment resulting in the loss in an earlier year to offset tax in later years. We believe that this is consistent with the intent of the legislature when enacting the statute to provide relief to Kansas farmers. The Secretary's interpretation places many farmers in a worse position than if the net operating farm loss rules had not been enacted, and in a worse position than non-farm taxpayers.

We encourage the Committee to approve SB 444. We believe that the added language provides a mechanism which places farmers with large losses in a position similar to non-farm taxpayers. The Treasury will not pay more than \$1,500 each year in excess of what would have been paid if the farm net operating loss provisions were never enacted.

We appreciate the opportunity to provide our input in this process.

Sincerely,



David L. Hetrick, C.P.A.

Lewis, Hooper & Dick, LLC



Since 1894

To: Senate Committee on Assessment and Taxation
Senator Barbara Allen, Chair

From: Allie Devine, Vice President and General Counsel

Date: February 14, 2006

Re: Estate Taxes: Support SB 444

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 6,000 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seed stock, cow-calf and stocker production, cattle feeding, grazing land management and diversified farming operations.

The Kansas Livestock Association asked for the introduction of SB 444 regarding net operating loss carry back and carry forward for income tax purposes. We concur with the comments of David Hetrick of Lewis, Hopper & Dick and ask for favorable passage of SB 444. Thank you.

Assessment & Taxation
Date 2-14-06
Attachment # 6