

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:30 A.M. on February 21, 2006 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Kansas Legislative Research  
Martha Dorsey, Kansas Legislative Research  
Gordon Self, Revisor of Statutes Office  
Judy Swanson, Secretary

Conferees appearing before the committee:

Senator Pete Brungardt  
Secretary of Revenue Joan Wagnon  
Marlee Carpenter, Kansas Chamber of Commerce  
Lucky DeFries, Kansas Chamber of Commerce

Others attending:

See attached list

Hearing was opened on **SB 564, authorizing countywide retailers' sales tax for Saline county for expo center.** Senator Pete Brungardt testified this bill would enable Saline County to place on the ballot a measure for capital improvement for an expo center to be funded by a one-half cent sales tax. Being no further conferees, the hearing was closed.

Hearing was opened on **SB 551, reporting requirements as a condition of claiming tax credits.** Secretary of Revenue Joan Wagnon testified the purpose of this bill is to require people who claim tax credits to provide KDOR with more information, and the receipt of the information will be a condition for receiving the tax credit. (Attachment 1)

Marlee Carpenter, Kansas Chamber of Commerce, testified in opposition to **SB 551.** (Attachment 2) She said many smaller businesses already abandon their request for tax credits because of too much paperwork. Lucky DeFries, Kansas Chamber of Commerce, said the bill requires businesses to provide more information than what is already requested, and some of the information might be impossible to quantify. Senator Lee requested Mr. DeFries provide a list of the reporting provisions he wants removed from the bill. Senator Jordan commented it is important to obtain this information to determine the state's return on the tax credits the state grants. Many of the programs bring in good results, however, the problem lies in the fact some companies are not reporting this information. He suggested the bill could be amended to require a business to report only on the requirements of the program of which the company is taking advantage. He said there is good purpose and reason for this legislation.

Secretary Wagnon disagreed with the Kansas Chamber's comments that **SB 551** goes much further than 2005 SB 13. She explained how the information is gathered and shared between the Department of Commerce and KDOR. Senator Lee commented when an entity utilizes the Federal CDBG program, it must create the jobs projected to keep the grant funds it receives.

Hearing on **SB 551** was closed.

**SB 365, enacting the Kansas estate tax** was discussed. Steve Stotts, KDOR, distributed information showing how the proposed bill compares to the current estate tax law. (Attachment 3) There is a tax shift to the upper brackets in the first year under the subcommittee's recommendation. Chris Courtwright said on a fiscal year basis revenues collected would equal the amounts collected under current law. (i.e. **SB 356**, as amended, is projected to be revenue neutral.)

Senator Bruce moved the Committee adopt the subCommittee report on **SB 365.** Senator Schmidt seconded the motion, and the motion passed.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:30 A.M. on February 21, 2006 in Room 519-S of the Capitol.

Senator Schmidt moved the Committee recommend **SB 365** as amended favorable for passage. Senator Pine seconded the motion, and the motion carried.

**SB 535, no sales taxation of manufacturer rebates to purchasers of new motor vehicles modified to accommodate handicapped persons**, was discussed.

Senator Schmidt moved to recommend **SB 535** favorable for passage. Senator Donovan seconded the motion, and the motion passed.

Senator Schmidt moved to approve the February 20 Committee Meeting Minutes. Senator Donovan seconded the motion, and the motion passed.

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





# K A N S A S

JOAN WAGNON, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

DEPARTMENT OF REVENUE  
OFFICE OF THE SECRETARY

Testimony to the Senate Committee on Assessment and Taxation  
Joan Wagon

February 21, 2006  
**Senate Bill 551**

Senator Allen and Members of the Committee:

Senate Bill 551 provides that beginning with tax year 2006, taxpayers claiming tax credits under the High Performance Incentive Program (HPIP) and Business and Job Development (B&J) Program shall provide the following information on their income tax returns, as a condition for claiming those credits:

actual jobs created as a direct result of the expenditures on which such credit claim is based;

additional payroll generated as a direct result of the expenditures on which such credit claim is based;

actual jobs retained as a direct result of the expenditures on which such credit claim is based;

additional revenue generated as a direct result of the expenditures on which such credit claim is based;

additional sales generated as a direct result of the expenditures on which such credit claim is based;

and total employment and payroll at the end of the tax year in which the credits are claimed.

The High Performance Incentive Program has two components: the Training and Education Credit is found under K.S.A. 74-50,132, and the Investment Tax Credit is found under K.S.A. 79-32,160a(e). The Business and Job Development Credit can be found under K.S.A. 79-32,153 et seq. and K.S.A. 79-32,160a.

K.S.A. 74-99b35 directs the Department of Revenue to prepare an annual report to the Legislature evaluating the cost effectiveness of various economic development-related income tax credits and sales tax exemptions, beginning in January 2006. We recently presented the first

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Assessment & Taxation  
Date 2-21-06  
Attachment # 1

Report (attached) to this Committee. An informal working group known as the Incentives Advisory Group met last June and November, in order to develop a framework for this report. This group consisted of the Secretaries of Revenue and Commerce and staff, Kansas Inc. President and staff, majority and minority legislators from the Senate Committee on Assessment and Taxation, House Tax Committee, Senate Commerce Committee, and House Committee on Economic Development, Legislative Research staff, Legislative Post Audit, and economists Bart Hildreth and Art Hall.

In developing the report framework, the group identified the following Key Performance Indicators as providing information needed to evaluate the business tax incentive programs:

- Jobs Created
- Jobs Retained
- Capital Investment Generated
- Revenue/Sales Generated
- Payroll Generated.

Departments of Revenue and Commerce exchanged data to complete the information columns of the report, but as evidenced by the blank columns shown in the attached report on the HPIP and B&J tax credits, much of the data needed to evaluate these incentive programs is not available. Current tax returns do not require taxpayers to provide this data.

Under prior (but now repealed) legislation, corporate taxpayers were supposed to complete and return questionnaires about their participation in tax credit programs. The Department of Revenue then forwarded the questionnaire responses to Kansas Inc., for completing an evaluation report. Only a small number of corporate taxpayers completed the questionnaires, rendering information on the few completed ones useless for program evaluation purposes.

The group recommended that legislation be proposed requiring taxpayers to disclose needed data for evaluation of the HPIP and B & J tax credit programs, as a condition for claiming the credits. House Bill 551 is the culmination of that recommendation. Unless we have a statutory requirement that a taxpayer claiming the tax credit provide evaluation information as a condition for claiming the credit, we can expect continued difficulty in obtaining this valuable information. We cannot provide a useful report, pursuant to K.S.A. 74-99b35, without it.

Kansas Tax Credits  
Tax Year 2003

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Program Name	Statutory Reference	Description	Number of Filers	Tax Expenditure	Projected Jobs Created	Actual Jobs Created	Projected Jobs Retained	Actual Jobs Retained	Projected Capital Investment Generated	Actual Capital Investment Generated	Projected Revenue/Sales Generated	Actual Revenue/Sales Generated	Projected Payroll Generated	Actual Payroll Generated
High Performance Incentive Program	K.S.A. 74-50,132	A qualified firm making a cash investment in the training and education of its employees can receive a credit equal to the portion of the investment in the training and education that exceeds 2% of the businesses total payroll costs.												
	K.S.A. 79-32,160a(e)	A credit is available for those qualified firms that make an investment in a qualified business facility. The investment credit is 10% of the qualified business facility investment which exceeds \$50,000.												
Income and Privilege Taxpayers		Sector 31-33-Manufacturing	39	\$8,833,173	228				\$113,800,755	\$160,696,492				
		Sector 42-Wholesale and Sector 44-45-Retail Trade	7	\$1,113,187	119				\$6,592,753	\$8,474,338				
		Sector 51-Information	5	\$296,968	0				\$29,973,000	\$14,816,731				
		Sector 52-Finance and Insurance, Sector 53-Real Estate and Rental and Leasing, Sector 55-Management of Companies and Enterprises, and Sector 56-Administrative and Support and Waste Management	7	\$150,611	28				\$5,374,628	\$4,452,649				
		Sector 54-Professional, Scientific, and Technical Services	6	\$1,637,191	23				\$1,898,848	\$1,646,961				
<b>Total High Performance Incentive Program Credits</b>			<b>64</b>	<b>\$12,031,130</b>	<b>398</b>				<b>\$157,639,984</b>	<b>\$190,087,171</b>				

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Kansas Tax Credits  
Tax Year 2003

Program Name	Statutory Reference	Description	Number of Filers	Tax Expenditure	Projected Jobs Created	Actual Jobs Created	Projected Jobs Retained	Actual Jobs Retained	Projected Capital Investment Generated	Actual Capital Investment Generated	Projected Revenue/Sales Generated	Actual Revenue/Sales Generated	Projected Payroll Generated	Actual Payroll Generated
Business and Job Development Credit	K.S.A. 79-32,153	Any taxpayer that invests in a qualified business facility and hires at least two employees as a result of that investment may be eligible for an investment tax credit of \$100 for every \$100,000 of investment made and a job creation tax credit of \$100 for every qualified business facility employee.												
	K.S.A. 79-32,160a	Any taxpayer that meets the definition of business in K.S.A. 74-50,114(b), that invests in a qualified business facility and hires a minimum number of employees as a result of that investment may be eligible for an investment tax credit of \$1,000 for every \$100,000 of investment made and a job creation tax credit of at least \$1,500 for every qualified business facility employee.												
Income Taxpayers		Sector 11-Agriculture, Forestry, Fishing and Hunting and Sector 21-Mining	16	\$56,016		89				\$15,812,349				
		Sector 23-Construction	36	\$317,436		190				\$7,367,506				
		Sector 31-33-Manufacturing	163	\$2,081,386		1,390				\$52,889,544				
		Sector 42-Wholesale Trade	20	\$255,624		174				\$13,545,331				
		Sector 44-45-Retail Trade	105	\$1,665,832		10,258				\$746,153,936				
		Sector 48-49-Transportation and Warehousing	10	\$462,952		135				\$24,385,434				
		Sector 52-Finance and Insurance	7	\$37,306		101				\$7,771,651				
		Sector 54-Professional, Scientific, and Technical Services	78	\$997,362		730				\$81,639,937				
Privilege Taxpayers		Sector 52-Finance and Insurance	49	\$118,034		651				\$70,963,648				
<b>Total Business and Job Development Credits</b>			<b>484</b>	<b>\$5,991,948</b>		<b>13,718</b>				<b>\$1,020,529,336</b>				

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**NAICS Titles and Descriptions of Industries**

<b>Sector</b>	<b>Title</b>	<b>Description</b>
Sector 11	Agriculture, Forestry, Fishing and Hunting	Establishments primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch or their natural habitats.
Sector 21	Mining	Establishments that extract naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas. The term mining is used in the broad sense to include quarrying, well operations, beneficiating (e.g., crushing, screening, washing, and flotation), and other preparation customarily performed at the mine site, or as a part of mining activity.
Sector 22	Utilities	Establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal.
Sector 23	Construction	Establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction and establishments primarily engaged in subdividing land for sale as building sites also are included in this sector.
Sector 31-33	Manufacturing	Establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products.
Sector 42	Wholesale Trade	Establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.
Sector 44-45	Retail Trade	Establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.
Sector 48-49	Transportation and Warehousing	Industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation.
Sector 51	Information	Establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.
Sector 52	Finance and Insurance	Establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions.
Sector 53	Real Estate and Rental and Leasing	Establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services.
Sector 54	Professional, Scientific, and Technical Services	Establishments that specialize in performing professional, scientific, and technical activities for others. Activities performed include: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services, translation and interpretation services; veterinary services; and other professional, scientific, and technical services.



**NAICS Titles and Descriptions of Industries**

<b>Sector</b>	<b>Title</b>	<b>Description</b>
Sector 55	Management of Companies and Enterprises	Comprises (1) establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or (2) establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decisionmaking role of the company or enterprise.
Sector 56	Administrative and Support and Waste Management and Remediation Services	Establishments performing routine support activities for the day-to-day operations of other organizations. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.
Sector 61	Educational Services	Establishments that provide instruction and training in a wide variety of subjects.
Sector 62	Health Care and Social Assistance	Establishments providing health care and social assistance for individuals.
Sector 71	Arts, Entertainment, and Recreation	Establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure time interests.
Sector 72	Accommodation and Food Services	Establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.
Sector 81	Other Services (except Public Administration)	Establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.
Sector 92	Public Administration	Establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area.

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# Legislative Testimony

SB 551

February 21, 2006

**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 our over 10,000 members oppose SB 551. Last session the Kansas Chamber and the Kansas Department of Revenue worked very closely to pass SB 13, compromise confidentiality language that will help both the Department of Revenue and the Department of Commerce report information on tax credits and incentives. SB 551 goes much further than the agreed to SB 13, requiring additional disclosure requirements for businesses that claim tax credits.

Businesses operate in a dynamic environment, which can change on a daily basis. The proposed bill will create the impression that Kansas is creating additional hurdles to utilize credits and exemptions. It is critical that the state remain nimble and flexible in its offering of credits and exemptions, and to work with businesses as they face ever increasing market competition.

In the past few years, our members have found it more and more difficult to obtain tax credits in Kansas. They have found that if their investment and job creation does qualify, they must provide pages and pages of paperwork to the Department of Revenue. These additional requirements have forced many smaller businesses to abandon their request for tax credits or incentives. Only companies with large tax departments or attorney's on retainer have the time and resources to pursue obtaining these credits. SB 551 would require additional paperwork that is again very time consuming and tedious and our members believe would be another mechanism to deny tax credits to businesses in the state.

Finally, our members have additional concerns about the bill. 1. What will the Department of Revenue do if the business did not meet the targets laid out in the bill? 2. Who will have access to this information within state government? Some of this information is competitive sensitive. 3. Are there examples of other states setting up criteria on tax credits and exemptions?

The purpose of tax credits is to incent investment and job creation in the state. Currently, there are huge hurdles for companies to claim these credits and SB 551 would just create more disincentive for claiming any type of tax credit. Please carefully review SB 551 before taking action upon it.

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 2-21-06  
Attachment # 2



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**Kansas Department of Revenue  
Kansas Estate Tax  
Calendar Year 2004**

**Current**

Taxable Estate Brackets		Returns	Taxable Estate	Estate Tax	Effective Rate
\$ 750,000	\$ 1,000,000	278	\$ 244,587,343	\$ 5,443,529	2.2%
\$ 1,000,000	\$ 2,000,000	325	\$ 422,549,489	\$ 14,122,269	3.3%
\$ 2,000,000	\$ 5,000,000	86	\$ 239,471,010	\$ 10,775,190	4.5%
\$ 5,000,000	\$ 10,000,000	21	\$ 152,024,180	\$ 10,167,886	6.7%
\$ 10,000,000	Over	8	\$ 174,785,331	\$ 14,455,468	8.3%
		718	\$ 1,233,417,353	\$ 54,964,342	4.5%

**Proposed SB 365 as Introduced**

Taxable Estate Brackets		Returns	Taxable Estate	Estate Tax	Effective Rate	Change from Current Law
\$ 750,000	\$ 1,000,000	278	\$ 244,587,343	\$ -		\$ (5,443,529)
\$ 1,000,000	\$ 2,000,000	325	\$ 422,549,489	\$ 6,340,717	1.5%	\$ (7,781,552)
\$ 2,000,000	\$ 5,000,000	86	\$ 239,471,010	\$ 12,337,101	5.2%	\$ 1,561,911
\$ 5,000,000	\$ 10,000,000	21	\$ 152,024,180	\$ 13,543,023	8.9%	\$ 3,375,137
\$ 10,000,000	Over	8	\$ 174,785,331	\$ 22,137,800	12.7%	\$ 7,682,332
		718	\$ 1,233,417,353	\$ 54,358,640	4.4%	\$ (605,702)

**SB 365 as Introduced**

Taxable Estate Brackets		Tax Rate
\$ 750,000	\$ 1,000,000	0.0%
\$ 1,000,000	\$ 2,000,000	6.5%
\$ 2,000,000	\$ 5,000,000	\$ 65,000 10.0%
\$ 5,000,000	\$ 10,000,000	\$ 365,000 12.5%
\$ 10,000,000	Over	\$ 990,000 15.0%

Assessment & Taxation  
Date 9-21-06  
Attachment # 3

Assessment & Taxation  
Date 9-21-06  
Attachment # 3

**Kansas Department of Revenue  
Kansas Estate Tax  
Calendar Year 2004**

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**Current**

Taxable Estate Brackets		Returns	Taxable Estate	Estate Tax	Effective Rate
\$ 750,000	\$ 1,000,000	278	\$ 244,587,343	\$ 5,443,529	2.2%
\$ 1,000,000	\$ 2,000,000	325	\$ 422,549,489	\$ 14,122,269	3.3%
\$ 2,000,000	\$ 5,000,000	86	\$ 239,471,010	\$ 10,775,190	4.5%
\$ 5,000,000	\$ 10,000,000	21	\$ 152,024,180	\$ 10,167,886	6.7%
\$ 10,000,000	Over	8	\$ 174,785,331	\$ 14,455,468	8.3%
		718	\$ 1,233,417,353	\$ 54,964,342	4.5%

**Proposed SB 365 Phase Out TY 2007**

Taxable Estate Brackets		Returns	Taxable Estate	Estate Tax	Effective Rate	Change from Current Law
\$ 750,000	\$ 1,000,000	278	\$ 244,587,343	\$ -		\$ (5,443,529)
\$ 1,000,000	\$ 2,000,000	325	\$ 422,549,489	\$ 2,926,485	0.7%	\$ (11,195,784)
\$ 2,000,000	\$ 5,000,000	86	\$ 239,471,010	\$ 6,628,261	2.8%	\$ (4,146,929)
\$ 5,000,000	\$ 10,000,000	21	\$ 152,024,180	\$ 8,171,934	5.4%	\$ (1,995,952)
\$ 10,000,000	Over	8	\$ 174,785,331	\$ 14,358,533	8.2%	\$ (96,935)
		718	\$ 1,233,417,353	\$ 32,085,213	2.6%	\$ (22,879,129)

**SB 365 Phase Out TY 2007**

Taxable Estate Brackets		Tax Rate
\$ 750,000	\$ 1,000,000	0.0%
\$ 1,000,000	\$ 2,000,000	3.0%
\$ 2,000,000	\$ 5,000,000	\$ 30,000 6.0%
\$ 5,000,000	\$ 10,000,000	\$ 210,000 8.0%
\$ 10,000,000	Over	\$ 610,000 10.0%

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**Kansas Department of Revenue**  
**Kansas Estate Tax**  
**Calendar Year 2004**

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**Current**

Taxable Estate Brackets		Returns	Taxable Estate	Estate Tax	Effective Rate
\$ 750,000	\$ 1,000,000	278	\$ 244,587,343	\$ 5,443,529	2.2%
\$ 1,000,000	\$ 2,000,000	325	\$ 422,549,489	\$ 14,122,269	3.3%
\$ 2,000,000	\$ 5,000,000	86	\$ 239,471,010	\$ 10,775,190	4.5%
\$ 5,000,000	\$ 10,000,000	21	\$ 152,024,180	\$ 10,167,886	6.7%
\$ 10,000,000	Over	8	\$ 174,785,331	\$ 14,455,468	8.3%
		718	\$ 1,233,417,353	\$ 54,964,342	4.5%

**Proposed SB 365 Phase Out TY 2008**

Taxable Estate Brackets		Returns	Taxable Estate	Estate Tax	Effective Rate	Change from Current Law
\$ 750,000	\$ 1,000,000	278	\$ 244,587,343	\$ -		\$ (5,443,529)
\$ 1,000,000	\$ 2,000,000	325	\$ 422,549,489	\$ 975,495	0.2%	\$(13,146,774)
\$ 2,000,000	\$ 5,000,000	86	\$ 239,471,010	\$ 2,209,420	0.9%	\$ (8,565,770)
\$ 5,000,000	\$ 10,000,000	21	\$ 152,024,180	\$ 3,821,209	2.5%	\$ (6,346,677)
\$ 10,000,000	Over	8	\$ 174,785,331	\$ 9,194,973	5.3%	\$ (5,260,495)
		718	\$ 1,233,417,353	\$ 16,201,097	1.3%	\$(38,763,245)

**SB 365 Phase Out TY 2008**

Taxable Estate Brackets		Tax Rate
\$ 750,000	\$ 1,000,000	0.0%
\$ 1,000,000	\$ 2,000,000	1.0%
\$ 2,000,000	\$ 5,000,000	\$ 10,000 2.0%
\$ 5,000,000	\$ 10,000,000	\$ 70,000 5.0%
\$ 10,000,000	Over	\$ 320,000 7.0%

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Kansas Department of Revenue  
Kansas Estate Tax  
Calendar Year 2004

Current

Taxable Estate Brackets		Returns	Taxable Estate	Estate Tax	Effective Rate
\$ 750,000	\$ 1,000,000	278	\$ 244,587,343	\$ 5,443,529	2.2%
\$ 1,000,000	\$ 2,000,000	325	\$ 422,549,489	\$ 14,122,269	3.3%
\$ 2,000,000	\$ 5,000,000	86	\$ 239,471,010	\$ 10,775,190	4.5%
\$ 5,000,000	\$ 10,000,000	21	\$ 152,024,180	\$ 10,167,886	6.7%
\$ 10,000,000	Over	8	\$ 174,785,331	\$ 14,455,468	8.3%
		718	\$ 1,233,417,353	\$ 54,964,342	4.5%

Proposed SB 365 Phase Out TY 2009

Taxable Estate Brackets		Returns	Taxable Estate	Estate Tax	Effective Rate	Change from Current Law
\$ 750,000	\$ 1,000,000	278	\$ 244,587,343	\$ -		\$ (5,443,529)
\$ 1,000,000	\$ 2,000,000	325	\$ 422,549,489	\$ 487,747	0.1%	\$ (13,634,522)
\$ 2,000,000	\$ 5,000,000	86	\$ 239,471,010	\$ 1,104,710	0.5%	\$ (9,670,480)
\$ 5,000,000	\$ 10,000,000	21	\$ 152,024,180	\$ 1,675,484	1.1%	\$ (8,492,402)
\$ 10,000,000	Over	8	\$ 174,785,331	\$ 3,923,560	2.2%	\$ (10,531,908)
		718	\$ 1,233,417,353	\$ 7,191,501	0.6%	\$ (47,772,841)

SB 365 Phase Out TY 2009

Taxable Estate Brackets		Tax Rate
\$ 750,000	\$ 1,000,000	0.0%
\$ 1,000,000	\$ 2,000,000	0.5%
\$ 2,000,000	\$ 5,000,000	\$ 5,000 1.0%
\$ 5,000,000	\$ 10,000,000	\$ 35,000 2.0%
\$ 10,000,000	Over	\$ 135,000 3.0%

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