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MEMORANDUM

To: Madam Chairperson and Members of the Committee on Assessment and Taxation
From: Office of Revisor of Statutes
Date: March 14, 2023
Subject: Senate Bill No. 300

Summary

Senate Bill No. 300 would decrease the privilege tax rates on banks, trust companies and savings and loan associations by reducing the normal tax rates.

Currently, national banking associations, state banks, trust companies and savings and loan associations pay a privilege tax that is computed based on a normal tax and a surtax on net income. The normal tax is currently at a rate of 2.25%. The surtax is on net income in excess of \$25,000 and at rates of 2.125% for banks and 2.25% for trusts companies and savings and loan associations. The bill does not amend the surtax rates.

The bill would amend K.S.A. 79-1107 to reduce the normal tax rate on banks to 1.94% for tax year 2024, and to 1.63% for tax year 2025, and all tax years thereafter.

The bill would also amend K.S.A. 79-1108 to reduce the normal tax rate on trust companies and savings and loan associations to 1.93% for tax year 2024, and to 1.61% for tax year 2025, and all tax years thereafter.

The bill would take effect from and after its publication in the statute book.