

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

The Committee on **Assessment and Taxation** recommends **SB 259** be amended on page 2, in line 2, by striking "rate reduction" and inserting "and privilege tax rate reductions"; in line 3, by striking "income tax"; also in line 3, by striking "reduction" and inserting "reductions"; in line 5, by striking "income tax"; in line 7, after the second period by inserting "In calculating the privilege tax rate reductions pursuant to subsection (d), the reduction shall be a corresponding rate reduction that is equal to the total percentage adjustment to the corporate income tax."; in line 20, after the first "to" by inserting ":

(1)";

Also on page 2, in line 24, by striking "79-32,110(a)" and inserting "79-32,110(c)"; in line 25, after "occur" by inserting ";

(2) the normal tax imposed pursuant to K.S.A. 79-1107, and amendments thereto. The normal tax shall be decreased until the combined normal and surtax rates equal 2.82% that are imposed pursuant to K.S.A. 79-1107, and amendments thereto. Once the combined normal and surtax rates pursuant to K.S.A. 79-1107, and amendments thereto, equal 2.82%, no further reductions shall occur; and

(3) the normal tax imposed pursuant to K.S.A. 79-1108, and amendments thereto. The normal tax shall be decreased until the combined normal and surtax rates equal 2.9% that are imposed pursuant to K.S.A. 79-1108, and amendments thereto. Once the combined normal and surtax rates pursuant to K.S.A. 79-1108, and amendments thereto, equal 2.9%, no further reductions shall occur";

Also on page 2, following line 25, by inserting:

"Sec. 2. K.S.A. 2024 Supp. 79-1107 is hereby amended to read as follows: 79-1107. (a) Every national banking association and state bank located or doing business within the state shall pay to the state for the privilege of doing business within the state a tax according to or measured by its net income for the next preceding taxable year to be computed as provided in this act. Such tax shall consist of a normal tax and a surtax and shall be computed as follows unless otherwise modified pursuant to section 1, and amendments thereto:

(1) For tax year 2024, and all tax years thereafter, the normal tax shall be an amount equal to 1.94% of such net income; and

(2) the surtax shall be an amount equal to 2.125% of such net income in excess of \$25,000.

(b) The tax levied shall be in lieu of ad valorem taxes which might otherwise be imposed by the state or political subdivisions thereof upon shares of capital stock or the intangible assets of national banking associations and state banks.

Sec. 3. K.S.A. 2024 Supp. 79-1108 is hereby amended to read as follows: 79-1108. (a) Every trust company and savings and loan association located or doing business within the state shall pay to the state for the privilege of doing business within the state a tax according to or measured by its net income for the next preceding taxable year to be computed as provided in this act. Such tax shall consist of a normal tax and a surtax and shall be computed as follows unless otherwise modified pursuant to section 1, and amendments thereto:

(1) For tax year 2024, and all tax years thereafter, the normal tax on every trust company and savings and loan association shall be an amount equal to 1.93% of such net income; and

(2) the surtax on every trust company and savings and loan association shall be an

amount equal to 2.25% of such net income in excess of \$25,000.

(b) The tax levied shall be in lieu of ad valorem taxes which might otherwise be imposed by the state or political subdivision thereof upon shares of capital stock or other intangible assets of trust companies and savings and loan associations.";

On page 3, in line 40, after "Supp." by inserting "79-1107, 79-1108 and"; also in line 40, by striking "is" and inserting "are";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "tax" and inserting "and privilege taxes"; in line 3, after "Supp." by inserting "79-1107, 79-1108 and"; in line 4, by striking "section" and inserting "sections"; and the bill be passed as amended.

Chairperson