

**HOUSE BILL No. 2377**

By Committee on Taxation

Requested by Representative Hoheisel on behalf of Sedgwick County

2-11

1 AN ACT concerning sales and compensating use tax; relating to  
2 countywide retailers' sales tax; providing that countywide retailers'  
3 sales tax is apportioned based on total assessed valuations of property  
4 taxes rather than property taxes levied; amending K.S.A. 2024 Supp.  
5 12-192 and repealing the existing section.  
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. K.S.A. 2024 Supp. 12-192 is hereby amended to read as  
9 follows: 12-192. (a) Except as otherwise provided by subsection (b), (d) or  
10 (h), all revenue received by the director of taxation from a countywide  
11 retailers' sales tax shall be apportioned among the county and each city  
12 located in such county in the following manner:

13 (1)  $\frac{1}{2}$  of all revenue received by the director of taxation shall be  
14 apportioned among the county and each city located in such county ~~in the~~  
15 ~~proportion that the total tangible property tax levies made in such county~~  
16 ~~in the preceding year for all funds of each such governmental unit bear to~~  
17 ~~the total of all such levies made in the preceding year based on the total~~  
18 ~~assessed valuations used to calculate such county's and each city's ad~~  
19 ~~valorem property taxes in the preceding year; and~~

20 (2)  $\frac{1}{2}$  of all revenue received by the director of taxation from such  
21 countywide retailers' sales tax shall be apportioned among the county and  
22 each city located in such county, first to the county that portion of the  
23 revenue equal to the proportion that the population of the county residing  
24 in the unincorporated area of the county bears to the total population of the  
25 county, and second to the cities in the proportion that the population of  
26 each city bears to the total population of the county, except that no persons  
27 residing within the Fort Riley military reservation shall be included in the  
28 determination of the population of any city located within Riley county.

29 All revenue apportioned to a county shall be paid to its county treasurer  
30 and shall be credited to the general fund of the county.

31 (b) (1) In lieu of the apportionment formula provided in subsection  
32 (a), all revenue received by the director of taxation from a countywide  
33 retailers' sales tax imposed within Johnson county at the rate of 0.75%, 1%  
34 or 1.25% after July 1, 2007, shall be apportioned among the county and  
35 each city located in such county in the following manner:

1 (A) The revenue received from the first 0.5% rate of tax shall be  
2 apportioned in the manner prescribed by subsection (a); and

3 (B) the revenue received from the rate of tax exceeding 0.5% shall be  
4 apportioned as follows:

5 (i)  $\frac{1}{4}$  shall be apportioned among the county and each city located in  
6 such county in the proportion that the total tangible property tax levies  
7 made in such county in the preceding year for all funds of each such  
8 governmental unit bear to the total of all such levies made in the preceding  
9 year;

10 (ii)  $\frac{1}{4}$  shall be apportioned among the county and each city located in  
11 such county, first to the county that portion of the revenue equal to the  
12 proportion that the population of the county residing in the unincorporated  
13 area of the county bears to the total population of the county, and second to  
14 the cities in the proportion that the population of each city bears to the  
15 total population of the county; and

16 (iii)  $\frac{1}{2}$  shall be retained by the county for its sole use and benefit.

17 (2) In lieu of the apportionment formula provided in subsection (a),  
18 all money received by the director of taxation from a countywide sales tax  
19 imposed within Montgomery county pursuant to the election held on  
20 November 8, 1994, shall be remitted to and shall be retained by the county  
21 and expended only for the purpose for which the revenue received from  
22 the tax was pledged. All revenue apportioned and paid from the imposition  
23 of such tax to the treasurer of any city prior to the effective date of this act  
24 shall be remitted to the county treasurer and expended only for the purpose  
25 for which the revenue received from the tax was pledged.

26 (3) In lieu of the apportionment formula provided in subsection (a),  
27 on and after the effective date of this act, all moneys received by the  
28 director of taxation from a countywide retailers' sales tax imposed within  
29 Phillips county pursuant to the election held on September 20, 2005, shall  
30 be remitted to and shall be retained by the county and expended only for  
31 the purpose for which the revenue received from the tax was pledged.

32 (c) (1) Except as otherwise provided by paragraph (2) of this  
33 subsection, for purposes of subsections (a) and (b), the term "total tangible  
34 property tax levies" means the aggregate dollar amount of tax revenue  
35 derived from ad valorem tax levies applicable to all tangible property  
36 located within each such city or county. The ad valorem property tax levy  
37 of any county or city district entity or subdivision shall be included within  
38 this term if the levy of any such district entity or subdivision is applicable  
39 to all tangible property located within each such city or county.

40 (2) For the purposes of subsections (a) and (b), any ad valorem  
41 property tax levied on property located in a city in Johnson county for the  
42 purpose of providing fire protection service in such city shall be included  
43 within the term "total tangible property tax levies" for such city regardless

1 of its applicability to all tangible property located within each such city. If  
2 the tax is levied by a district which extends across city boundaries, for  
3 purposes of this computation, the amount of such levy shall be apportioned  
4 among each city in which such district extends in the proportion that such  
5 tax levied within each city bears to the total tax levied by the district.

6 (d) (1) All revenue received from a countywide retailers' sales tax  
7 imposed pursuant to K.S.A. 12-187(b)(2), (3)(C), (3)(F), (3)(G), (3)(I), (6),  
8 (7), (8), (9), (12), (14), (15), (16), (17), (18), (19), (20), (22), (23), (25),  
9 (27), (28), (29), (30), (31), (32), (33), (34), (35), (36), (37) and (38), and  
10 amendments thereto, shall be remitted to and shall be retained by the  
11 county and expended only for the purpose for which the revenue received  
12 from the tax was pledged.

13 (2) Except as otherwise provided in K.S.A. 12-187(b)(5), and  
14 amendments thereto, all revenues received from a countywide retailers'  
15 sales tax imposed pursuant to K.S.A. 12-187(b)(5), and amendments  
16 thereto, shall be remitted to and shall be retained by the county and  
17 expended only for the purpose for which the revenue received from the tax  
18 was pledged.

19 (3) All revenue received from a countywide retailers' sales tax  
20 imposed pursuant to K.S.A. 12-187(b)(26), and amendments thereto, shall  
21 be remitted to and shall be retained by the county and expended only for  
22 the purpose for which the revenue received from the tax was pledged  
23 unless the question of imposing a countywide retailers' sales tax authorized  
24 by K.S.A. 12-187(b)(26), and amendments thereto, includes the  
25 apportionment of revenue prescribed in subsection (a).

26 (e) All revenue apportioned to the several cities of the county shall be  
27 paid to the respective treasurers thereof and deposited in the general fund  
28 of the city. Whenever the territory of any city is located in two or more  
29 counties and any one or more of such counties do not levy a countywide  
30 retailers' sales tax, or whenever such counties do not levy countywide  
31 retailers' sales taxes at a uniform rate, the revenue received by such city  
32 from the proceeds of the countywide retailers' sales tax, as an alternative to  
33 depositing the same in the general fund, may be used for the purpose of  
34 reducing the tax levies of such city upon the taxable tangible property  
35 located within the county levying such countywide retailers' sales tax.

36 (f) Prior to March 1 of each year, the secretary of revenue shall advise  
37 each county treasurer of the revenue collected in such county from the  
38 state retailers' sales tax for the preceding calendar year.

39 (g) Prior to December 31 of each year, the clerk of every county  
40 imposing a countywide retailers' sales tax shall provide such information  
41 deemed necessary by the secretary of revenue to apportion and remit  
42 revenue to the counties and cities pursuant to this section.

43 (h) The provisions of subsections (a) and (b) for the apportionment of

1 countywide retailers' sales tax shall not apply to any revenues received  
2 pursuant to a county or countywide retailers' sales tax levied or collected  
3 under K.S.A. 74-8929, and amendments thereto. All such revenue  
4 collected under K.S.A. 74-8929, and amendments thereto, shall be  
5 deposited into the redevelopment bond fund established by K.S.A. 74-  
6 8927, and amendments thereto, for the period of time set forth in K.S.A.  
7 74-8927, and amendments thereto.

8       Sec. 2. K.S.A. 2024 Supp. 12-192 is hereby repealed.

9       Sec. 3. This act shall take effect and be in force from and after its  
10 publication in the statute book.