

As Amended by House Committee

Session of 2025

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 **apportionment based on**  
5 **tangible property tax levies remain unchanged until December 31,**  
6 **2026**; amending K.S.A. 2024 Supp. 12-192 and repealing the existing  
7 section.  
8

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

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

15 (1)  $\frac{1}{2}$  of all revenue received by the director of taxation shall be  
16 apportioned among the county and each city located in such county ~~in the~~  
17 ~~proportion that the total tangible property tax levies made in such county~~  
18 ~~in the preceding year for all funds of each such governmental unit bear to~~  
19 ~~the total of all such levies made in the preceding year based on the total~~  
20 ~~assessed valuations used to calculate such county's and each city's ad-~~  
21 ~~valorem property taxes in the preceding year~~ **in the proportion that the**  
22 **total tangible property tax levies made in such county in the preceding**  
23 **year for all funds of each such governmental unit bear to the total of**  
24 **all such levies made in the preceding year, except that the**  
25 **apportionment pursuant to this provision shall not change between**  
26 **July 1, 2025, and December 31, 2026; and**

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

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

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

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

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

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

17 (ii)  $\frac{1}{4}$  shall be apportioned among the county and each city located in  
18 such county, first to the county that portion of the revenue equal to the  
19 proportion that the population of the county residing in the unincorporated  
20 area of the county bears to the total population of the county, and second to  
21 the cities in the proportion that the population of each city bears to the  
22 total population of the county; and

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

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

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

39 (c) (1) Except as otherwise provided by paragraph (2) of this  
40 subsection, for purposes of subsections (a) and (b), the term "total tangible  
41 property tax levies" means the aggregate dollar amount of tax revenue  
42 derived from ad valorem tax levies applicable to all tangible property  
43 located within each such city or county. The ad valorem property tax levy

1 of any county or city district entity or subdivision shall be included within  
2 this term if the levy of any such district entity or subdivision is applicable  
3 to all tangible property located within each such city or county.

4 (2) For the purposes of subsections (a) and (b), any ad valorem  
5 property tax levied on property located in a city in Johnson county for the  
6 purpose of providing fire protection service in such city shall be included  
7 within the term "total tangible property tax levies" for such city regardless  
8 of its applicability to all tangible property located within each such city. If  
9 the tax is levied by a district which extends across city boundaries, for  
10 purposes of this computation, the amount of such levy shall be apportioned  
11 among each city in which such district extends in the proportion that such  
12 tax levied within each city bears to the total tax levied by the district.

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

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

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

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

43 (f) Prior to March 1 of each year, the secretary of revenue shall advise

1 each county treasurer of the revenue collected in such county from the  
2 state retailers' sales tax for the preceding calendar year.

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

7 (h) The provisions of subsections (a) and (b) for the apportionment of  
8 countywide retailers' sales tax shall not apply to any revenues received  
9 pursuant to a county or countywide retailers' sales tax levied or collected  
10 under K.S.A. 74-8929, and amendments thereto. All such revenue  
11 collected under K.S.A. 74-8929, and amendments thereto, shall be  
12 deposited into the redevelopment bond fund established by K.S.A. 74-  
13 8927, and amendments thereto, for the period of time set forth in K.S.A.  
14 74-8927, and amendments thereto.

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

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