

**SENATE BILL No. 259**

By Committee on Assessment and Taxation

2-11

1 AN ACT concerning taxation; relating to income tax; providing that future  
2 tax rate decreases be contingent on exceeding revenue estimates;  
3 amending K.S.A. 2024 Supp. 79-32,110 and repealing the existing  
4 section.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 New Section 1. (a) As used in this section:

8 (1) "Adjusted consumer price ratio" means the fiscal year consumer  
9 price index divided by the base year consumer price index.

10 (2) "Adjusted general revenue fund collections" means actual tax  
11 receipt revenues to the state general fund.

12 (3) "Base year revenues" means actual tax receipt revenues to the  
13 state general fund for fiscal year 2024 in the amount of \$10,003,833,599.

14 (4) "Base year consumer price index" means a 12-month average of  
15 the not seasonally adjusted consumer price index for all urban consumers  
16 for fiscal year 2024.

17 (5) "Excess fiscal year general revenue fund collections" means the  
18 positive difference from subtracting the inflation adjusted base year  
19 revenues from the adjusted general revenue fund collections from the  
20 immediately preceding fiscal year.

21 (6) "Fiscal year consumer price index" means a 12-month average of  
22 the not seasonally adjusted consumer price index for all urban consumers  
23 for the immediately preceding fiscal year.

24 (7) "Inflation adjusted base year revenues" means the base year  
25 revenues multiplied by the adjusted consumer price ratio.

26 (b) Commencing on August 15, 2025, and every August 15 thereafter,  
27 the director of the budget, in consultation with the director of legislative  
28 research, shall determine whether the total fiscal year adjusted general  
29 revenue fund collections from the immediately preceding fiscal year are in  
30 excess of the inflation adjusted base year revenues. If the total fiscal year  
31 adjusted general revenue fund collections from the immediately preceding  
32 fiscal year are in excess of the inflation adjusted base year revenues, the  
33 director of the budget shall certify to the secretary of revenue the existence  
34 of such excess and the amount of the excess.

35 (c) In the event that the secretary of revenue certifies that the adjusted  
36 general revenue fund collections from the immediately preceding fiscal

1 year are in excess of the inflation adjusted base year revenues, the  
 2 secretary shall calculate and publish the income tax rate reduction as a  
 3 result of the excess. In calculating the income tax rate reduction, the  
 4 excess fiscal year general revenue fund collections shall be computed that  
 5 would result in the reduction of the income tax rates pursuant to subsection  
 6 (d) in an amount approximately equal to the rate reductions down to the  
 7 nearest 0.01% to go into effect for the next tax year. Such rate reductions  
 8 shall remain in effect unless further reduced pursuant to this section. The  
 9 income tax brackets and taxable income thresholds prescribed in K.S.A.  
 10 79-32,110(a), and amendments thereto, shall be adjusted to reflect the  
 11 changes in income tax rates.

12 (d) The secretary shall first compute the reduction of the income tax  
 13 rates pursuant to K.S.A. 79-32,110(a), and amendments thereto, that  
 14 decreases proportionally all tax rates in effect. Once the lower income tax  
 15 rate is decreased to 4.5%, there shall be no further reductions to the lower  
 16 income tax rate and further reductions shall only be applied to reduce the  
 17 higher income tax rate in effect. Upon the higher income tax rate being  
 18 decreased to 4.5%, no further reductions shall occur to K.S.A. 79-  
 19 32,110(a), and amendments thereto. The secretary shall then compute  
 20 decreases to the surtax imposed pursuant to K.S.A. 79-32,110(c), and  
 21 amendments thereto. The surtax shall be decreased until the combined  
 22 normal and surtax rates equal 4.5% that are imposed pursuant to K.S.A.  
 23 79-32,110(c), and amendments thereto. Once the combined normal and  
 24 surtax rates pursuant to K.S.A. 79-32,110(a), and amendments thereto,  
 25 equal 4.5%, no further reductions shall occur.

26 Sec. 2. K.S.A. 2024 Supp. 79-32,110 is hereby amended to read as  
 27 follows: 79-32,110. (a) *Resident individuals*. Except as otherwise provided  
 28 by K.S.A. 79-3220(a), and amendments thereto, a tax is hereby imposed  
 29 upon the Kansas taxable income of every resident individual, which tax  
 30 shall be computed in accordance with the following tax schedules *unless*  
 31 *otherwise modified pursuant to section 1, and amendments thereto:*

32 (1) *Married individuals filing joint returns.*

33 (A) For tax years 2018 through 2023:

34 If the taxable income is:	The tax is:
35 Not over \$30,000 .....	3.1% of Kansas taxable
36	income
37 Over \$30,000 but not over \$60,000 .....	\$930 plus 5.25% of excess
38	over \$30,000
39 Over \$60,000.....	\$2,505 plus 5.7% of excess
40	over \$60,000

41 (B) For tax year 2024, and all tax years thereafter:

42 If the taxable income is:	The tax is:
43 Not over \$46,000 .....	5.2% of Kansas taxable

1		income
2	Over \$46,000.....	\$2,392 plus 5.58% of excess
3		over \$46,000
4	(2) <i>All other individuals.</i>	
5	(A) For tax years 2018 through 2023:	
6	If the taxable income is:	The tax is:
7	Not over \$15,000.....	3.1% of Kansas taxable
8		income
9	Over \$15,000 but not over \$30,000....	\$465 plus 5.25% of excess
10		over \$15,000
11	Over \$30,000.....	\$1,252.50 plus 5.7% of
12		excess over \$30,000
13	(B) For tax year 2024, and all tax years thereafter:	
14	If the taxable income is:	The tax is:
15	Not over \$23,000.....	5.2% of Kansas taxable
16		income
17	Over \$23,000.....	\$1,196 plus 5.58% of excess
18		over \$23,000

19 (b) *Nonresident individuals.* A tax is hereby imposed upon the Kansas  
 20 taxable income of every nonresident individual, which tax shall be an  
 21 amount equal to the tax computed under subsection (a) as if the  
 22 nonresident were a resident multiplied by the ratio of modified Kansas  
 23 source income to Kansas adjusted gross income.

24 (c) *Corporations.* A tax is hereby imposed upon the Kansas taxable  
 25 income of every corporation doing business within this state or deriving  
 26 income from sources within this state. Such tax shall consist of a normal  
 27 tax and a surtax and shall be computed as follows unless otherwise  
 28 modified pursuant to K.S.A. 2024 Supp. 74-50,321 *or section 1*, and  
 29 amendments thereto:

30 (1) The normal tax shall be in an amount equal to 4% of the Kansas  
 31 taxable income of such corporation; and

32 (2) the surtax shall be in an amount equal to 3% of the Kansas taxable  
 33 income of such corporation in excess of \$50,000.

34 (d) *Fiduciaries.* A tax is hereby imposed upon the Kansas taxable  
 35 income of estates and trusts at the rates provided in subsection (a)(2).

36 (e) Notwithstanding the provisions of subsections (a) and (b), for tax  
 37 years 2018 through 2023, married individuals filing joint returns with  
 38 taxable income of \$5,000 or less; and all other individuals with taxable  
 39 income of \$2,500 or less; shall have a tax liability of zero.

40 Sec. 3. K.S.A. 2024 Supp. 79-32,110 is hereby repealed.

41 Sec. 4. This act shall take effect and be in force from and after its  
 42 publication in the statute book.