

SESSION OF 2007

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2495

As Recommended by House Committee on
Taxation

Brief*

HB 2495 would reduce the top corporation income tax rate from the current 7.35 percent to 6.95 percent in tax year 2008; and to 6.75 percent in tax year 2009 and thereafter.

Background

The current Kansas corporation income tax structure imposes a rate of 4.0 percent on taxable income of \$50,000 or less; and of 7.35 percent on taxable income in excess of \$50,000.

The corporation income tax rate reduction contained in HB 2495 was part of a broader tax package proposed by the Governor. Other components of that proposal not contained in HB 2495 include a proposed corporation franchise tax reduction; and a major restructuring of various tax credit and tax incentive programs.

The bill would be expected to reduce receipts as follows:

| (\$ in millions) | |
|---------------------|------------------|
| FY 2008 | (\$5.8) |
| FY 2009 | (\$22.2) |
| FY 2010 | (\$29.0) |
| FY 2011 | (\$29.0) |
| FY 2012 | (\$29.0) |
| 5-year total | (\$115.0) |

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>