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**KANSAS OFFICE of**  
**REVISOR of STATUTES**  
**LEGISLATURE of THE STATE of KANSAS**  
*Legislative Attorneys transforming ideas into legislation.*

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**MEMORANDUM**

To: Members of the House Committee on Taxation  
From: Office of Revisor of Statutes  
Date: March 3, 2025  
Subject: House Bill No. 2318 (As Introduced)

**Summary**

House Bill No. 2318 provides that future income tax rate decreases would be contingent on exceeding revenue.

The bill provides for a possible decrease in income tax rates based on a formulaic calculation of whether general revenue fund collections exceed a comparison of the prior fiscal year compared with the base year with calculated increases for inflation.

On August 15 of each year, the Director of the Budget would determine if an excess exists of general fund collections when compared to the base year. In the event that there is an excess, this amount of excess is converted into a decrease in income tax rates to go into effect for the next tax year. Individual income tax rates would first be decreased until both brackets were lowered to 4.5%. Once the income tax rates would reach 4.5%, any further decreases would apply to the surtax on corporations until the combined rate of the normal and surtax income tax rate on corporations equaled 4.5%.