

KANSAS DEPARTMENT OF REVENUE

Budget Summary – Agency Request

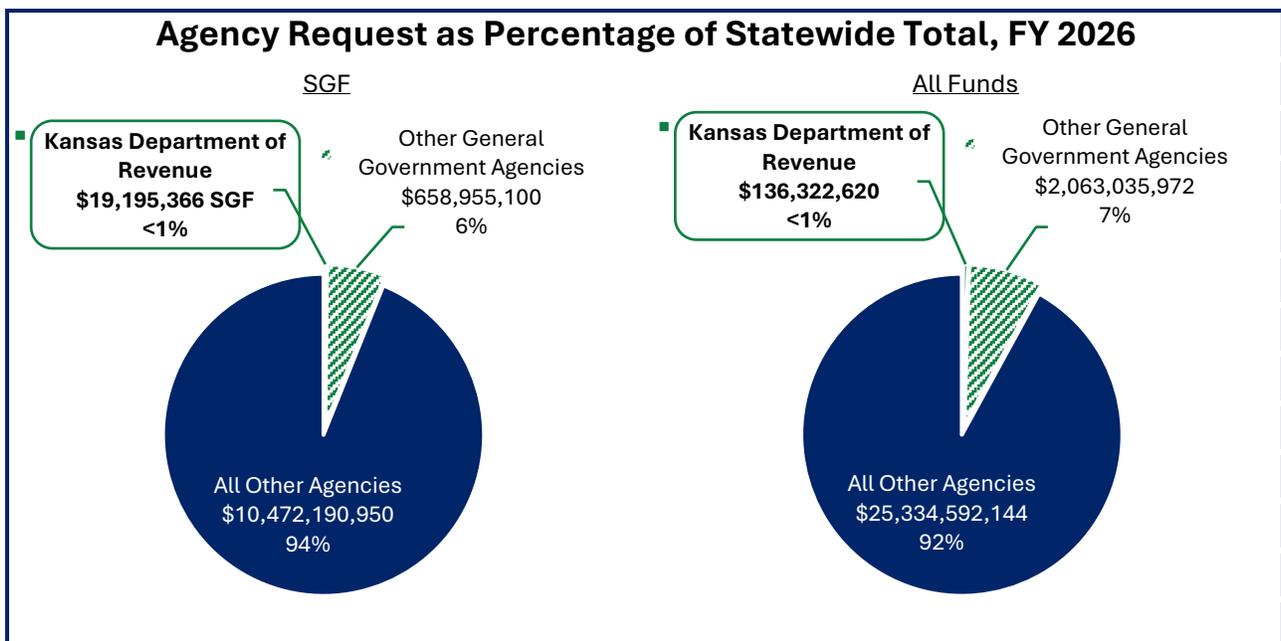
Executive Summary

The Kansas Department of Revenue collects taxes and fees, administers Kansas tax laws, issues a variety of licenses, and provides assistance to Kansas citizens and units of government.

The agency is divided into six major divisions, which reflect the four statutory programs the agency is charged with administering and the support functions that serve the regular programs. The present organizational structure includes the following units:

- **Administrative Services** provides management and support services to the other programs.
- **Aid to Local Units of Government** provides for the distribution of certain state-collected taxes and fees to local units of government as aid.
- **Alcoholic Beverage Control (ABC)** regulates the sale and distribution of alcoholic beverages and enforces bingo and tobacco regulations.
- **Division of Vehicles** issues titles, registers vehicles, and licenses drivers.
- **Property Valuation** appraises state property and exercises supervision over local appraisers.
- **Tax Administration** manages and enforces the major state taxes and conducts a program of audits to identify and substantiate under-reporting of Kansas taxes.

Expenditures by Fiscal Year and Version				
	SGF	All Funds	Note	
FY 2024 Actual	\$ 16,670,224	\$ 125,633,810	Actual expenditures	
FY 2025 Actual	17,614,033	132,200,986	Actual expenditures	
FY 2026 Approved	19,195,366	128,757,924	2025 SB 125	
FY 2026 Agency	19,195,366	136,322,620	Revised estimate, submitted September 2025	
FY 2027 Agency	19,362,871	137,261,160	Agency request, submitted September 2025	



KANSAS DEPARTMENT OF REVENUE

Budget Summary – Agency Request

Budget and Policy Snapshot

The tables below provide a selection of items that inform the agency budget request. These items include **supplemental and enhancement requests** () , adjustments related to **reappropriated funds** () , **language-only policy changes** requested for inclusion in legislation, changes in **federal or state policy** that impact agency funding, and other budgetary items.

These tables are not intended to be a comprehensive list of changes in the agency budget request. For more detail on individual fiscal year requests, please refer to the [FY 2026 Analysis](#) and [FY 2027 Analysis](#) sections later in this document.

FY 2026

	Item	Amount	Source	Note
	SGF Reappropriation	\$ 16,786	SGF	Includes agency lapses
	Legislative Pay Increase Shortfall	920,819	Special Revenue Funds	
	Digital License Plates and Postage	4,000,000	Special Revenue Funds	
	Driver's License and Identification Cards	2,540,000	Special Revenue Funds	

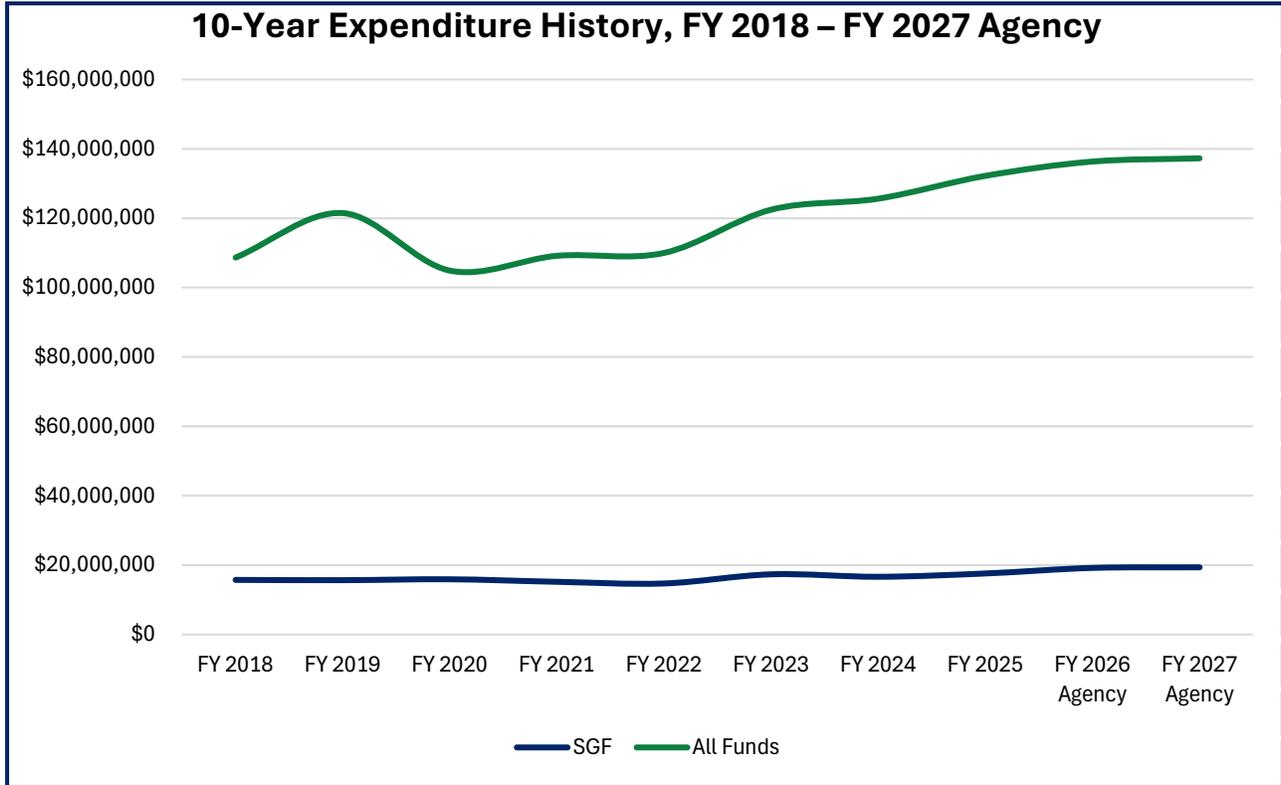
FY 2027

	Item	Amount	Source	Note
	Digital License Plates and Postage	\$ 4,000,000	Special Revenue Funds	Includes agency lapses
	Driver's License and Identification Cards	1,717,000	Special Revenue Funds	

KANSAS DEPARTMENT OF REVENUE

Budget Summary – Agency Request

Summary of Expenditures



Fiscal Year	SGF		All Funds		FTE	CPI-U* Change (%)
	Amount	Change (%)	Amount	Change (%)		
FY 2018	\$ 15,784,592	(6.5)	\$ 108,666,022	15.4	997.80	0.2
FY 2019	15,711,021	(0.5)	121,473,894	11.8	1,078.70	--
FY 2020	15,961,423	1.6	104,902,219	(13.6)	1,089.15	0.8
FY 2021	15,248,295	(4.5)	109,166,782	4.1	1,049.15	2.4
FY 2022	14,774,330	(3.1)	109,999,207	0.8	1,049.15	9.2
FY 2023	17,375,218	17.6	122,453,453	11.3	1,049.15	5.8
FY 2024	16,670,224	(4.1)	125,633,810	2.6	1,039.15	3.0
FY 2025	17,614,033	5.7	132,200,986	5.2	1,049.78	--
FY 2026 Agency	19,195,366	9.0	136,322,620	3.1	1,049.78	--
FY 2027 Agency	19,362,871	0.9	137,261,160	0.7	1,049.78	--

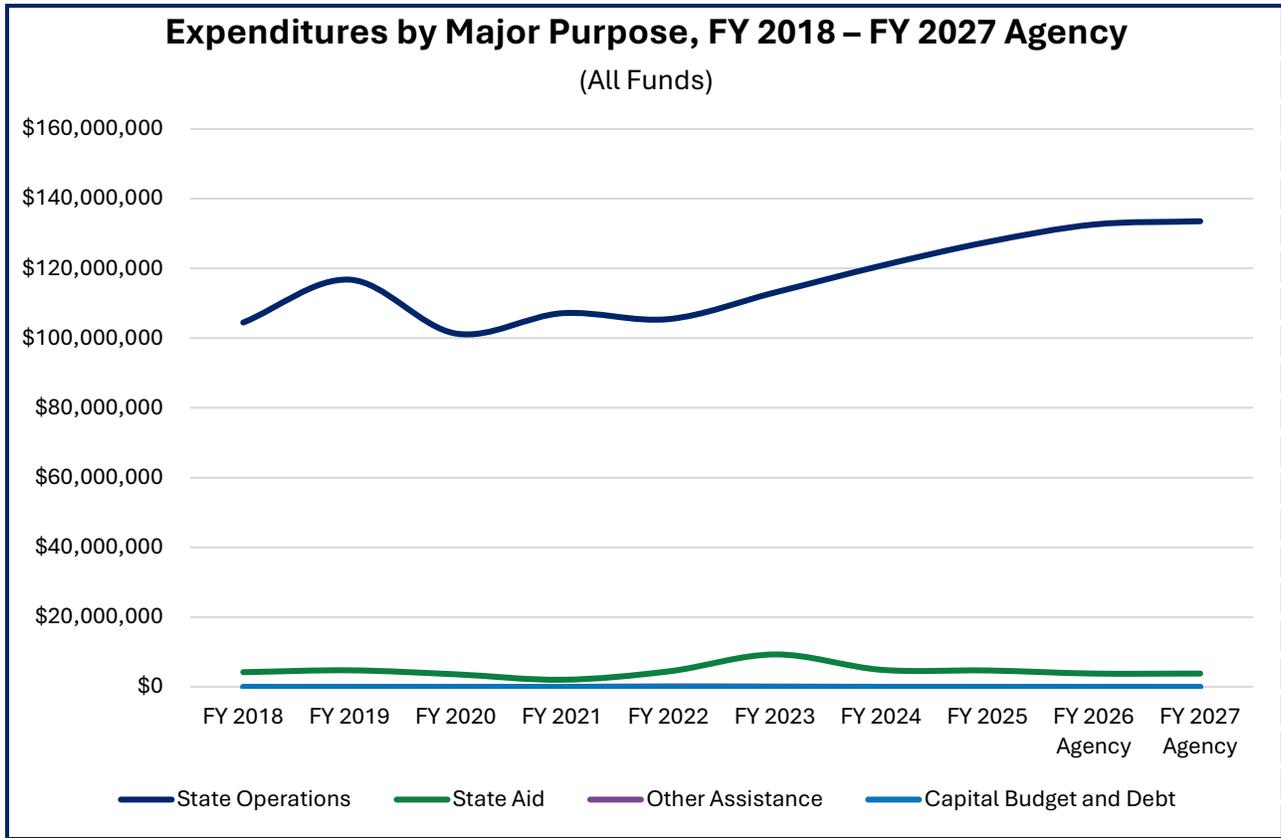
5-Year Change (FY 2023–2027)	\$ 1,987,653	11.4	\$ 14,807,707	12.1	0.63	--
10-Year Change (FY 2018–2027)	3,578,279	22.7	28,595,138	26.3	51.98	--
3-Year Average** (FY 2023–2025)	17,219,825	N/A	126,762,750	N/A	1,046.03	N/A

* Note: Consumer Price Index for All Urban Consumers estimate for FY 2026–2027 is from the Consensus Revenue Estimating Group.

** Note : Reflects the three most recent years of actuals data.

KANSAS DEPARTMENT OF REVENUE

Budget Summary – Agency Request



Expenditures by Category, FY 2024 – FY 2027 Agency
(All Funds)

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State Operations						
Salaries and Wages	62.2 %	\$ 73,510,848	\$ 77,462,531	\$ 84,785,840	\$ 84,783,585	\$ 85,552,881
Contractual Services	29.0	39,614,155	41,485,767	35,450,084	39,534,603	39,328,772
Commodities	5.5	6,824,161	7,661,980	3,761,303	7,552,430	7,777,455
Capital Outlay	0.5	811,966	926,508	776,751	677,002	827,052
Operating Adjustments	--	-	-	(266,549)	-	-
Subtotal	97.2 %	\$ 120,761,130	\$ 127,536,786	\$ 124,507,429	\$ 132,547,620	\$ 133,486,160
State Aid and Assistance						
Aid to Locals	2.8 %	\$ 4,851,936	\$ 4,664,200	\$ 4,233,709	\$ 3,775,000	\$ 3,775,000
Other Assistance	--	20,744	-	-	-	-
Subtotal	2.8 %	\$ 4,872,680	\$ 4,664,200	\$ 4,233,709	\$ 3,775,000	\$ 3,775,000
Capital Budget and Debt						
Capital Improvements	-- %	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Principal	--	-	-	-	-	-
Debt Service Interest	--	-	-	-	-	-
Subtotal	-- %	\$ -				
Reappropriations	-- %	\$ -	\$ -	\$ 17,042	\$ -	\$ -
GRAND TOTAL	100.0 %	\$ 125,633,810	\$ 132,200,986	\$ 128,758,180	\$ 136,322,620	\$ 137,261,160

KANSAS DEPARTMENT OF REVENUE

Budget Summary – Agency Request

State Operations

Expenditures by Classification, FY 2024 – FY 2027 Agency						
(State Operations, All Funds)						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Salaries and Wages						
Employee Pay	44.6 %	\$ 52,141,348	\$ 55,286,745	\$ 60,570,938	\$ 60,804,376	\$ 60,806,656
Employee Benefits	17.6	21,369,500	22,175,786	24,214,902	23,979,209	24,746,225
Shrinkage	--	-	-	-	-	-
Subtotal	62.2 %	\$ 73,510,848	\$ 77,462,531	\$ 84,785,840	\$ 84,783,585	\$ 85,552,881
Contractual Services						
Communication	8.1 %	\$ 11,770,797	\$ 12,084,893	\$ 8,399,571	\$ 10,987,252	\$ 11,233,902
Fees (Professional)	1.5	3,077,477	2,734,087	3,016,050	2,074,304	2,074,309
Fees (Other Services)	3.9	6,220,379	7,276,338	5,895,203	5,319,154	5,498,154
Freight and Express	0.1	54,613	68,552	69,651	65,402	65,402
Printing and Advertising	1.0	1,090,549	1,499,256	1,196,050	1,323,055	1,323,055
Rent and Leases	4.8	6,260,540	6,391,595	6,298,305	6,582,152	6,588,418
Repair and Servicing	4.3	6,118,345	6,481,698	5,381,751	5,876,027	6,061,027
Travel and Subsistence	0.4	496,380	462,438	756,153	574,955	575,104
Utilities	0.1	114,797	125,083	124,100	130,500	130,500
Other	4.8	4,410,278	4,361,827	4,313,250	6,601,802	5,778,901
Subtotal	29.0 %	\$ 39,614,155	\$ 41,485,767	\$ 35,450,084	\$ 39,534,603	\$ 39,328,772
Commodities						
Clothing	0.1 %	\$ 3,755	\$ 10,634	\$ 7,500	\$ 5,800	\$ 5,800
Equipment and Parts	0.1	26,939	26,724	60,402	60,677	60,702
Food	--	3,934	2,984	-	-	-
Fuel	--	-	-	-	-	-
Motor Vehicle Parts	0.2	206,491	139,150	228,100	207,301	207,301
Supplies (Office)	0.1	350,187	118,555	317,301	177,352	177,352
Supplies (Professional)	0.1	21,672	15,905	30,000	21,050	21,050
Supplies (Research)	--	-	-	-	-	-
Other	5.2	6,211,183	7,348,028	3,118,000	7,080,250	7,305,250
Subtotal	5.5 %	\$ 6,824,161	\$ 7,661,980	\$ 3,761,303	\$ 7,552,430	\$ 7,777,455
Capital Outlay						
Books	-- %	\$ 218	\$ 409	\$ -	\$ -	\$ -
Computer Hardware	0.1	189,274	31,832	149,601	164,301	164,351
Computer Software	0.1	69,253	97,556	125,000	75,300	75,300
Equipment, Furniture	0.2	426,689	549,798	181,650	331,250	481,250
Information Processing	0.1	119,018	160	218,300	3,300	3,300
Telecommunications	0.1	7,514	246,753	102,200	102,851	102,851
Other	--	-	-	-	-	-
Subtotal	0.5 %	\$ 811,966	\$ 926,508	\$ 776,751	\$ 677,002	\$ 827,052
Operating Adjustments	-- %	\$ -	\$ -	\$ (266,549)	\$ -	\$ -
TOTAL	97.2 %	\$ 120,761,130	\$ 127,536,786	\$ 124,507,429	\$ 132,547,620	\$ 133,486,160

KANSAS DEPARTMENT OF REVENUE

Budget Summary – Agency Request

State Aid

Expenditures by Classification, FY 2024 – FY 2027 Agency						
(State Aid, All Funds)						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State Aid						
Federal Aid Payments	-- %	\$ -	\$ -	\$ -	\$ -	-
State Aid Payments	2.8	4,851,936	4,664,200	4,233,709	3,775,000	3,775,000
TOTAL	2.8 %	\$ 4,851,936	\$ 4,664,200	\$ 4,233,709	\$ 3,775,000	\$ 3,775,000

Other Assistance

Expenditures by Classification, FY 2024 – FY 2027 Agency						
(Other Assistance, All Funds)						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Other Assistance						
Claims	-- %	\$ 10,110	\$ -	\$ -	\$ -	-
State Special Grants	--	10,634	-	-	-	-
TOTAL	-- %	\$ 20,744	\$ -	\$ -	\$ -	-

KANSAS DEPARTMENT OF REVENUE

Budget Summary – Agency Request

Expenditures by Program

Expenditures by Program, FY 2024 – FY 2027 Agency							
(All Funds, Dollars in Thousands)							
	FY 2026	FY 2024	FY 2025	FY 2026	FY 2026	FY 2027	
	Agency	Actual	Actual	Approved	Agency	Agency	
	% of Total						
Administration	29.0 %	\$ 40,210.8	\$ 40,110.0	\$ 41,493.5	\$ 39,576.1	\$ 40,222.0	
Aid to Locals	2.8	4,851.9	4,664.2	4,233.7	3,775.0	3,775.0	
Alcoholic Beverage Control	3.0	3,627.5	3,800.1	4,163.0	4,095.0	4,140.8	
Business Closure Rebates	--	10.6	-	-	-	-	
Division of Vehicles	35.8	37,203.6	42,230.4	39,271.5	48,756.5	48,678.4	
License Plate Replacement Program	--	5,559.9	4,429.5	-	-	-	
Property Valuation	4.0	4,477.7	5,370.7	5,623.8	5,514.5	5,543.7	
Reappropriations	--	-	-	17.0	-	-	
TOTAL	100.0 %	\$ 125,633.8	\$ 132,201.0	\$ 128,758.2	\$ 136,322.6	\$ 137,261.2	

FTE Positions by Program, FY 2024 – FY 2027 Agency							
	FY 2026	FY 2024	FY 2025	FY 2026	FY 2026	FY 2027	
	Agency	Actual	Actual	Approved	Agency	Agency	
	% of Total						
Administration	23.1 %	246.5	242.7	246.5	242.7	242.7	
Aid to Locals	--	--	--	--	--	--	
Alcoholic Beverage Control	3.6	39.8	38.0	39.8	38.0	38.0	
Business Closure Rebates	--	--	--	--	--	--	
Division of Vehicles	33.4	349.0	351.0	349.0	351.0	351.0	
License Plate Replacement Program	--	--	--	--	--	--	
Property Valuation	3.8	34.5	39.5	34.5	39.5	39.5	
Reappropriations	--	--	--	--	--	--	
TOTAL	100.0 %	1,039.2	1,049.8	1,039.2	1,049.8	1,049.8	

KANSAS DEPARTMENT OF REVENUE

Budget Summary – Agency Request

Expenditures by Fund

Expenditures by Fund, FY 2024 – FY 2027 Agency						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State General Fund	14.1 %	\$ 16,670,224	\$ 17,614,033	\$ 19,195,622	\$ 19,195,366	\$ 19,362,871
Division of Vehicles Operating Fund	50.5	53,642,489	56,054,231	61,421,203	68,882,022	70,062,374
Fee Funds	24.6	37,026,576	39,429,894	35,158,654	33,510,739	34,709,289
Federal Funds	0.1	5,663,135	4,537,615	84,218	79,600	79,600
All Other Funds	10.8	12,631,386	14,565,213	12,898,483	14,654,893	13,047,026
TOTAL	100.0 %	\$ 125,633,810	\$ 132,200,986	\$ 128,758,180	\$ 136,322,620	\$ 137,261,160

Fee Fund Analysis

Amounts deposited into the Division of Vehicles Operating Fund include charges for clerical services, certificates and copies, and driver's license reinstatement fees. The inbound operating transfer is the quarterly transfer from the State Highway Fund under the terms of annual appropriation acts.

Division of Vehicles Operating Fund				
FY 2024 – FY 2027 Agency				
	FY 2024 Actual	FY 2025 Actual	FY 2026 Agency	FY 2027 Agency
Beginning Balance	\$ 289,348	\$ 547,637	\$ 845,793	\$ (6,615,403)
Revenue				
Taxes	\$ 896	\$ 1,052	\$ -	\$ -
Agency Earnings	410,917	432,983	450,000	450,000
Other Revenue	486,086	664,175	623,000	623,000
Revenue Transfers	52,481,795	55,254,177	60,347,826	62,447,826
Encumbrances	521,084	-	-	-
Subtotal – Revenue	\$ 53,900,778	\$ 56,352,387	\$ 61,420,826	\$ 63,520,826
Total Amount Available	\$ 54,190,126	\$ 56,900,024	\$ 62,266,619	\$ 56,905,423
Expenditures				
Salaries and Wages	\$ 34,957,580	\$ 36,440,804	\$ 44,115,146	\$ 44,885,765
Contractual Services	16,205,332	17,235,081	20,662,934	20,309,355
Commodities	1,908,342	2,136,898	3,770,431	4,534,156
Capital Outlay	566,650	241,448	333,511	333,098
Other Assistance	4,585	-	-	-
Subtotal – Expenditures	\$ 53,642,489	\$ 56,054,231	\$ 68,882,022	\$ 70,062,374
Ending Balance	\$ 547,637	\$ 845,793	\$ (6,615,403)	\$ (13,156,951)

KANSAS DEPARTMENT OF REVENUE

Budget Summary – Agency Request

FY 2026 Analysis

Summary of Agency Budget Request, FY 2026						
	SGF	Division of Vehicles Operating Fund	All Other Funds	Total	FTE Positions	
Approved, FY 2026						
1. 2025 SB 125, without Reappropriations	\$ 19,178,580	\$ 61,421,203	\$ 48,141,355	\$ 128,741,138	1,039.2	
Reappropriations						
2. State General Fund	\$ 17,042	\$ -	\$ -	\$ 17,042	--	
3. SGF Reappropriations 1.5 Percent Lapse	(256)	-	-	(256)	--	
Subtotal – Approved, with Reappropriations	\$ 19,195,366	\$ 61,421,203	\$ 48,141,355	\$ 128,757,924	1,039.2	
Agency Changes						
4. Salaries and Wages	\$ 484	\$ (637,658)	\$ (285,900)	\$ (923,074)	--	
5. Operating Expenditures	(740)	637,658	848,486	1,485,404	--	
6. Aid to Locals	-	-	(458,709)	(458,709)	--	
7. All Other Adjustments	-	-	-	-	10.6	
Subtotal – Agency Changes	\$ (256)	\$ -	\$ 103,877	\$ 103,621	10.6	
Supplemental Requests						
8. Legislative Pay Increase Shortfall	\$ -	\$ 920,819	\$ -	\$ 920,819	--	
9. Digital License Plates and Postage	-	4,000,000	-	4,000,000	--	
10. Driver's License and ID Cards	-	2,540,000	-	2,540,000	--	
Subtotal – Supplementals	\$ -	\$ 7,460,819	\$ -	\$ 7,460,819	--	
TOTAL – Agency Revised Estimate	\$ 19,195,110	\$ 68,882,022	\$ 48,245,232	\$ 136,322,364	1,049.8	

Approved Budget

1. 2025 SB 125

The 2025 Legislature passed, and the Governor enacted, one bill appropriating and adjusting funding for state agencies. Select appropriations for this agency include:

- **1.5 Percent SGF Lapse:** The Legislature approved a 1.5 percent SGF lapse within state operations for FY 2026. For this agency, that was a decrease of \$ 226,549 SGF; and
- **Pay Plan:** The Legislature approved increasing funding for salaries and wages by \$5.4 million, including \$1.7 million SGF, in FY 2026 to provide salary increases for most state employees based on the Department of Administration’s market survey.

Reappropriations

2. SGF Reappropriation

The agency reappropriated \$17,042 in unspent SGF funds from FY 2025 to FY 2026.

3. SGF Reappropriation 1.5 Percent Lapse

As part of the lapse identified in item 1, the Legislature approved a lapse of 1.5 percent of SGF reappropriations supporting state operations in FY 2026. For this agency, this totals a decrease of \$256 SGF in FY 2026 and adjusts total SGF reappropriations to \$16,786.

KANSAS DEPARTMENT OF REVENUE

Budget Summary – Agency Request

Agency Changes

4. Salaries and Wages

The agency's request includes a decrease of \$923,074, all from special revenue funds, for salaries and wages for FY 2026. This includes a shrinkage allocation of \$920,819. Absent the shrinkage allocation, the agency's salaries and wages budget would decrease by \$2,255.

5. Operating Expenditures

The agency's request includes an increase of \$1.5 million, all from special revenue funds, for operating expenditures for FY 2026. This increase is primarily attributable to license plate production and sale (\$2.0 million) and the purchase of passenger cars for use by the Office of Special Investigations (OSI). These increases are offset by decreases in other profession fees (\$707,400) attributable to changes in legal counsel, software contracts and usage, and a decreased volume of ratio studies.

6. Aid to Locals

The agency's request includes a decrease of \$458,709, all special revenue funds, for aid to locals for FY 2026. This decrease is a result of a reduced estimate in the receipts to be distributed as aid to local governments.

7. All Other Adjustments

The agency's request includes an increase of 10.6 FTE positions for all other adjustments for FY 2026.

Supplemental Requests

8. Legislative Pay Increase Shortfall

The agency's revised estimate includes a supplemental request of \$920,819, all from the Division of Vehicles Operating Fund, in FY 2026. These funds would allow employees paid under market by 10.0 percent or greater to have a salary increase by the percentage that equals the difference between the under-market pay percentage and 10.0 percent under market, or 2.5 percent, whichever is greater, as outlined in 2025 SB 125.

9. Digital License Plates and Postage

The agency's revised estimate includes a supplemental request of \$4.0 million, all from the Division of Vehicles Operating Fund, in FY 2026. These funds are to be used for increased production costs related to digital license plate conversion and distribution.

10. Driver's License and ID Cards

The agency's revised estimate includes a supplemental request of \$2.5 million, all from the Division of Vehicles Operating Fund, in FY 2026. These funds are to be used for contractual services to cover initial implementation of higher costs in production, postage, and equipment updates.

KANSAS DEPARTMENT OF REVENUE

Budget Summary – Agency Request

FY 2027 Analysis

Summary of Agency Budget Request, FY 2027						
	Division of			Total	FTE	
	SGF	Operating Fund	All Other Funds			Positions
Approved, FY 2026						
2025 SB 125, without Reappropriations	\$ 19,178,580	\$ 61,421,203	\$ 48,141,355	\$ 128,741,138	1,039.2	
Agency Changes						
1. Salaries and Wages	\$ 119,234	\$ 1,053,780	\$ (405,973)	\$ 767,041	--	
2. Operating Adjustment	266,549	-	-	266,549	--	
3. Operating Expenditures	(201,492)	1,870,391	559,242	2,228,141	--	
4. Aid to Locals	-	-	(458,709)	(458,709)	--	
5. All Other Adjustments	-	-	-	-	11.0	
Subtotal – Agency Changes	\$ 184,291	\$ 2,924,171	\$ (305,440)	\$ 2,803,022	11.0	
Enhancement Requests						
6. Digital License Plates and Postage	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000	--	
7. Driver's License and ID Cards	-	1,717,000	-	1,717,000	--	
Subtotal – Enhancements	\$ -	\$ 5,717,000	\$ -	\$ 5,717,000	--	
TOTAL – Agency Request	\$ 19,362,871	\$ 70,062,374	\$ 47,835,915	\$ 137,261,160	1,050.2	

Agency Changes

1. Salaries and Wages

The agency's request includes an increase of \$767,041, including \$119,234 SGF, for salaries and wages for FY 2027. This increase is the result of the budget shortfall from FY 2026 carrying into FY 2027 and adjustments to fringe benefits.

2. Operating Adjustment

The agency's request includes an increase of \$266,549 SGF to restore the 1.5 percent SGF lapse applied in FY 2026. This is equivalent to the amount lapsed in FY 2026 and would be attributed to salaries and wages for FY 2027.

3. Operating Expenditures

The agency's request includes an increase of \$2.2 million, all from special revenue funds, for operating expenditures for FY 2027. This increase is primarily attributable to license plate production and sale (\$2.2 million).

4. Aid to Locals

The agency's request includes a decrease of \$458,709, all special revenue funds, for aid to locals for FY 2027. This decrease is a result of a reduced estimate in the receipts to be distributed as aid to local governments.

5. All Other Adjustments

The agency's request includes an increase of 11.0 FTE positions for all other adjustments for FY 2027. This increase can primarily be attributed to increased spending on computer software and maintenance resulting from annual contract rate increases.

Enhancement Requests

6. Digital License Plates and Postage

The agency's request includes an enhancement request of \$4.0 million, all from special revenue funds, for FY 2027. These funds are to be used for increased production costs related to digital license plate conversion and distribution.

7. Driver's License and ID Cards

The agency's request includes an enhancement request of \$1.7 million, all from special revenue funds, for FY 2027. These funds are to be used for contractual services to cover initial implementation of higher costs in production, postage, and equipment updates.