

OVERVIEW OF KANSAS TAXES

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Taxes

Property Tax

Retail Sales Tax

Individual Income Tax

Other Taxes

Base x Rate = Tax

Other Taxes

**Compensating Use
Corporation Income
Privilege Tax
Insurance Premiums
Motor Vehicle Taxes
Vehicle Registration
Motor Carrier Property
Tax
Motor Fuels Taxes**

**Cigarette and Tobacco
Taxes
Liquor Gallonage Tax
Liquor Enforcement Tax
Liquor Drinking Places
Tax
Severance Taxes
Transient Guest Taxes**

Other Taxes, Continued

Corporation Franchise

Electronic Cigarette

Drug Stamp Tax

**Prepaid Wireless 911
Fee**

Sand Royalty Tax

Tire Tax

**Vehicle Rental Excise
Tax**

Car Line Tax

Intangibles Tax

Water Protection Fee

**Clean Drinking Water
Fee**

Bingo Tax

Combative Arts Tax

Recreational Vehicle Tax

Boat Registration

Compensating Use Tax

Companion Tax to Sales Tax

Applies to transactions that might otherwise result in sales tax avoidance

State rate is 6.5% of taxable gross receipts

State receipts are projected to exceed \$500 million from this source for the first time in FY 2021

Corporation Income Tax



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Applies to income for Subchapter C Corporations

Tax Base is Kansas Taxable Income

Tax rate is 4%, plus additional 3% on income over \$50,000

Income is apportioned using a three-factor formula

\$484.4 million in receipts in FY 2020

Privilege Tax

Applies to banks, trust companies and savings and loans.

Tax base is total net income

Tax rate is 2.25%, plus a surtax of 2.125% on banks and 2.25% on trust companies and savings and loans

Receipts were \$46.2 million in FY 2020

Registration fees for passenger cars range from \$30 to \$40. Other vehicles have their own registration fees ranging from \$11 for motorized bicycles to over \$2,000 for the largest tractor trailers.

Property tax is also paid on motor vehicles at the time of registration. Tax rate is based on the countywide average tax rate, excluding the statewide 20 mill levy and is applied to a taxable value that is based on a depreciation value of the vehicle.

Registrations and taxes combined to approximately \$680 million in FY 2019.

Motor Carrier Property Tax

Prior to 2014, Kansas applied a property tax to for-hire motor carriers operating in Kansas, both domestic and foreign

Since 2014, Kansas has applied a registration fee ranging from \$150 to \$400 based upon the gross weight and age of the vehicle.

Interstate operating vehicles may be apportioned.

This fee raises approximately \$12.5 million per year

Motor Fuels Taxes

Regular gasoline is taxed at \$0.24 per gallon and diesel at \$0.26 per gallon

Other fuels range from \$0.17 per gallon to \$0.26 per 6.06 pounds

Also includes trip permits in lieu of the motor fuel tax for certain interstate drivers

Proceeds were steady around approximately \$460 million prior to FY 2020

Cigarette and Tobacco Taxes



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Cigarettes are taxed at \$1.29 per pack of 20 cigarettes and \$1.61 per pack of 25 cigarettes

\$116.5 million in receipts in FY 2020

Other tobacco products are taxed at 10% of the wholesale price of the product

\$9.2 million in receipts in FY 2020

Liquor Taxes

Liquor Gallonage – Imposed by the gallon on the initial manufacture of liquor. Rates range from \$0.18 per gallon of beer to \$2.50 per gallon of alcohol and spirits.

Liquor Enforcement – Imposed in lieu of sales tax at 8% the gross receipts of sales to consumers or clubs, establishments, and caterers.

Liquor Drink Tax – 10% on the gross receipts of sales by clubs, establishments, and caterers.

Combined total receipts were \$145.8 million in FY 2019.

Severance Taxes

4.33% of gross taxable value for oil and natural gas.

**\$1 per ton for coal – but no taxpayers pay coal
severance tax**

**\$34.8 million in receipts in FY 2020, but projected to
decline to \$20.4 in FY 2021**

Counties receive 7% of receipts

Transient Guest Tax

**Applies when two or more bedrooms are rented for
28 days or less**

Applies to gross receipts of the rental

Applies in addition to sales tax

**Statewide receipts were just below \$50 million in FY
2019**



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