

HOUSE BILL No. 2572

By Committee on Taxation

1-31

1 AN ACT concerning income taxation; relating to rates; computing rates
2 through use of a formula; amending K.S.A. 79-32,110 and repealing the
3 existing section.
4

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

6 Section 1. K.S.A. 79-32,110 is hereby amended to read as follows:
7 79-32,110. (a) *Resident Individuals*. Except as otherwise provided by
8 K.S.A. 79-3220(a), and amendments thereto, a tax is hereby imposed upon
9 the Kansas taxable income of every resident individual, which tax shall be
10 computed in accordance with the following tax schedules:

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

12 (A) For tax year 2012:

If the taxable income is:	The tax is:
13 Not over \$30,000.....	3.5% of Kansas taxable income
14 Over \$30,000 but not over \$60,000.....	\$1,050 plus 6.25% of excess 15 over \$30,000
16 Over \$60,000.....	\$2,925 plus 6.45% of excess 17 over \$60,000

18
19 (B) For tax year 2013:

If the taxable income is:	The tax is:
20 Not over \$30,000.....	3.0% of Kansas taxable income
21 Over \$30,000.....	\$900 plus 4.9% of excess over 22 \$30,000

23
24 (C) For tax year 2014:

If the taxable income is:	The tax is:
25 Not over \$30,000.....	2.7% of Kansas taxable income
26 Over \$30,000.....	\$810 plus 4.8% of excess over 27 \$30,000

28
29 (D) For tax years 2015 and 2016:

If the taxable income is:	The tax is:
30 Not over \$30,000.....	2.7% of Kansas taxable income
31 Over \$30,000.....	\$810 plus 4.6% of excess over 32 \$30,000

33
34 (E) For tax year 2017:

If the taxable income is:	The tax is:
35 Not over \$30,000.....	2.9% of Kansas taxable

1	income
2	Over \$30,000 but not over \$60,000.....	\$870 plus 4.9% of excess over
3		\$30,000
4	Over \$60,000.....	\$2,340 plus 5.2% of excess over
5		\$60,000
6	(F) For tax year years 2018, and all tax years thereafter through 2023:	
7	If the taxable income is:	The tax is:
8	Not over \$30,000.....	3.1% of Kansas taxable income
9	Over \$30,000 but not over \$60,000.....	\$930 plus 5.25% of excess
10		over \$30,000
11	Over \$60,000.....	\$2,505 plus 5.7% of excess
12		over \$60,000

13 (2) *All other individuals.*

14	(A) For tax year 2012:	
15	If the taxable income is:	The tax is:
16	Not over \$15,000.....	3.5% of Kansas taxable income
17	Over \$15,000 but not over \$30,000.....	\$525 plus 6.25% of excess
18		over \$15,000
19	Over \$30,000.....	\$1,462.50 plus 6.45% of excess
20		over \$30,000

21	(B) For tax year 2013:	
22	If the taxable income is:	The tax is:
23	Not over \$15,000.....	3.0% of Kansas taxable income
24	Over \$15,000.....	\$450 plus 4.9% of excess over
25		\$15,000

26	(C) For tax year 2014:	
27	If the taxable income is:	The tax is:
28	Not over \$15,000.....	2.7% of Kansas taxable income
29	Over \$15,000.....	\$405 plus 4.8% of excess over
30		\$15,000

31	(D) For tax years 2015 and 2016:	
32	If the taxable income is:	The tax is:
33	Not over \$15,000.....	2.7% of Kansas taxable income
34	Over \$15,000.....	\$405 plus 4.6% of excess over
35		\$15,000

36	(E) For tax year 2017:	
37	If the taxable income is:	The tax is:
38	Not over \$15,000.....	2.9% of Kansas taxable income
39	Over \$15,000 but not over \$30,000.....	\$435 plus 4.9% of excess over
40		\$15,000
41	Over \$30,000.....	\$1,170 plus 5.2% of excess over
42		\$30,000

43 (F) For tax ~~year~~ years 2018, ~~and all tax years thereafter~~ through 2023:

1	If the taxable income is:	The tax is:
2	Not over \$15,000.....	3.1% of Kansas taxable income
3	Over \$15,000 but not over \$30,000.....	\$465 plus 5.25% of excess
4		over \$15,000
5	Over \$30,000.....	\$1,252.50 plus 5.7% of excess
6		over \$30,000

7 (3) All resident individuals. For tax year 2024, and all tax years
 8 thereafter, for all individuals regardless of filing status, the tax shall be
 9 computed in accordance with the following formula:

10 If the annual taxable income (ATI) to The tax rate and tax are:
 11 divide status number (S) is:

12 Not over \$50,000.....(ATI ÷ S ÷ C + 0.03*) x TI

13 Over \$50,000.....(0.057 - (D x S ÷ ATI)) x TI

14 Where:

15 *ATI* = annual taxable income = *TI* x *F*.

16 *C* = 2,967,359 from 50,000 to divide the 1st tax rate range difference
 17 (0.04785-0.031) or 2,801,120 from 50,000 ÷ (0.04785-0.03) for neutral
 18 tax revenue (*).

19 *D* = 457.5 from 50,000 to multiply the 2nd tax rate range difference
 20 (0.057-0.04785).

21 *F* = the number of filing periods (52, 26, 24, 12, 4, 2, 1 or 364 for weekly,
 22 bi-weekly, semi-monthly, monthly, quarterly, semi-annual, annual or daily
 23 filing periods).

24 *S* = status number (2 for married individuals filing joint returns; or 1 for
 25 all other individuals).

26 Tax rate ranges = 3% to 4.785% for *ATI* ÷ *S* not over \$50,000 and 4.785%
 27 to 5.7% for *ATI* ÷ *S* over \$50,000.

28 *TI* = taxable income.

29 (b) *Nonresident Individuals.* A tax is hereby imposed upon the Kansas
 30 taxable income of every nonresident individual, which tax shall be an
 31 amount equal to the tax computed under subsection (a) as if the
 32 nonresident were a resident multiplied by the ratio of modified Kansas
 33 source income to Kansas adjusted gross income.

34 (c) *Corporations.* A tax is hereby imposed upon the Kansas taxable
 35 income of every corporation doing business within this state or deriving
 36 income from sources within this state. Such tax shall consist of a normal
 37 tax and a surtax and shall be computed as follows:

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

40 (2) (A) for tax year 2008, the surtax shall be in an amount equal to
 41 3.1% of the Kansas taxable income of such corporation in excess of
 42 \$50,000;

43 (B) for tax years 2009 and 2010, the surtax shall be in an amount

1 equal to 3.05% of the Kansas taxable income of such corporation in excess
2 of \$50,000; and

3 (C) for tax year 2011, and all tax years thereafter, the surtax shall be
4 in an amount equal to 3% of the Kansas taxable income of such
5 corporation in excess of \$50,000.

6 (d) *Fiduciaries*. A tax is hereby imposed upon the Kansas taxable
7 income of estates and trusts at the rates provided in subsection (a)(2)
8 ~~hereof~~ for tax year 2018.

9 (e) Notwithstanding the provisions of subsections (a) and (b): (1) For
10 tax years 2016 and 2017, married individuals filing joint returns with
11 taxable income of \$12,500 or less, and all other individuals with taxable
12 income of \$5,000 or less, shall have a tax liability of zero; and (2) for tax
13 year 2018, and all tax years thereafter, married individuals filing joint
14 returns with taxable income of \$5,000 or less, and all other individuals
15 with taxable income of \$2,500 or less, shall have a tax liability of zero.

16 (f) No taxpayer shall be assessed penalties and interest arising from
17 the underpayment of taxes due to changes to the rates in subsection (a) that
18 became law on July 1, 2017, so long as such underpayment is rectified on
19 or before April 17, 2018.

20 Sec. 2. K.S.A. 79-32,110 is hereby repealed.

21 Sec. 3. This act shall take effect and be in force from and after its
22 publication in the statute book.