

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

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

300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

**MEMORANDUM**

To: Members of the House Committee on Taxation

From: Adam Siebers, Assistant Revisor

Date: March 21, 2023

Subject: House Bill No. 2457

**Summary**

House Bill No. 2457 makes the following changes for income tax, privilege, sales tax and property tax.

**Income tax**

*Rates*

Commencing tax year 2024 for individuals, single tax rate of 4.95% of the Kansas taxable income that is in excess of:

- (A) \$11,250 for married individuals filing joint returns; and
- (B) \$5,624 for all other individuals.

Commencing in tax year 2023 for corporations, the normal tax is decreased from 4% to 3%. Potential decreases from prior APEX legislation are discontinued.

*Social Security*

The provisions of House Bill No. 2109 expanding the subtraction modification for social security income and providing that all social security income would be allowed pursuant to the subtraction modification commencing in tax year 2026.

*Standard Deduction*

Commencing in tax year 2023, the standard deduction of individual tax filers is increased from \$3,500 to \$4,000. Commencing in tax year 2024, all standard deduction amounts would be increased by the cost-of-living adjustment.

*Credit*

The income tax credit for purchases of food in this state is discontinued commencing in tax year 2023.

**Privilege Tax**

The privilege tax for national banking associations and state banks is decreased for the normal tax from 2.25% to 1.625% commencing in tax year 2023.

The privilege tax for trust companies and savings and loan associations is decreased for the normal tax from 2.25% to 1.61% commencing in tax year 2023.

**Sales Tax**

The state rate of sales and compensating use tax for sales of food and food ingredients is decreased from 4% to 0% commencing July 1, 2023.

The percentage of revenue transferred to the State Highway Fund from sales and compensating use taxes is increased from 17% to 18% commencing July 1, 2023.

**Property Tax**

The current \$40,000 exemption from the 20 mills is increased to \$65,000 for tax year 2023.