

SENATE BILL No. 300

By Committee on Assessment and Taxation

3-7

1 AN ACT concerning privilege tax; relating to rates; decreasing the
2 privilege tax rates on banks, trust companies and savings and loan
3 associations by reducing the normal tax rates; amending K.S.A. 79-
4 1107 and 79-1108 and repealing the existing sections.

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

7 Section 1. K.S.A. 79-1107 is hereby amended to read as follows: 79-
8 1107. Every national banking association and state bank located or doing
9 business within the state shall pay to the state for the privilege of doing
10 business within the state a tax according to or measured by its net income
11 for the next preceding taxable year to be computed as provided in this act.
12 Such tax shall consist of a normal tax and a surtax and shall be computed
13 as follows:

14 (a) (1) *For tax year 2023*, the normal tax shall be an amount equal to
15 $2\frac{1}{4}\%$ of such net income;

16 (2) *for tax year 2024*, the normal tax shall be an amount equal to
17 1.94% of such net income; and

18 (3) *for tax year 2025*, and all tax years thereafter, the normal tax
19 shall be an amount equal to 1.63% of such net income; and

20 (b) the surtax shall be an amount equal to $2\frac{1}{8}\%$ of such net income
21 in excess of \$25,000.

22 The tax levied shall be in lieu of ad valorem taxes which might
23 otherwise be imposed by the state or political subdivisions thereof upon
24 shares of capital stock or the intangible assets of national banking
25 associations and state banks.

26 Sec. 2. K.S.A. 79-1108 is hereby amended to read as follows: 79-
27 1108. Every trust company and savings and loan association located or
28 doing business within the state shall pay to the state for the privilege of
29 doing business within the state a tax according to or measured by its net
30 income for the next preceding taxable year to be computed as provided in
31 this act. Such tax shall consist of a normal tax and a surtax and shall be
32 computed as follows:

33 (a) (1) *For tax year 2023*, the normal tax on every trust company and
34 savings and loan association shall be an amount equal to $2\frac{1}{4}\%$ of such net
35 income;

36 (2) *for tax year 2024*, the normal tax shall be an amount equal to

1 *1.93% of such net income; and*

2 *(3) for tax year 2025, and all tax years thereafter; the normal tax*
3 *shall be an amount equal to 1.61% of such net income; and*

4 (b) the surtax on every trust company and savings and loan
5 association shall be an amount equal to 2¹/₄% of such net income in excess
6 of \$25,000.

7 The tax levied shall be in lieu of ad valorem taxes which might
8 otherwise be imposed by the state or political subdivision thereof upon
9 shares of capital stock or other intangible assets of trust companies and
10 savings and loan associations.

11 Sec. 3. K.S.A. 79-1107 and 79-1108 are hereby repealed.

12 Sec. 4. This act shall take effect and be in force from and after its
13 publication in the statute book.