

SENATE BILL No. 239

By Committee on Ways and Means

3-19

1 AN ACT concerning income taxation; relating to taxation of corporations;
2 rate reduction based upon actual corporation income tax state general
3 fund receipts computation; amending K.S.A. 2012 Supp. 79-32,110 and
4 repealing the existing section.
5

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

7 Section 1. (a) (1) Except as provided in subsection (a)(2),
8 commencing with fiscal year 2014, in any fiscal year in which the amount
9 of actual corporation income tax state general fund receipts from such
10 fiscal year exceeds the actual corporation income tax state general fund
11 receipts for the immediately preceding fiscal year by more than 2%, the
12 director of legislative research shall certify such excess amount to the
13 secretary of revenue and the director of the budget. Upon receipt of such
14 certified amount, the secretary shall compute the excess percentage
15 increase in actual corporation income tax state general fund receipts above
16 2%. Based on such excess percentage of calculated receipt growth, the
17 secretary shall compute the corporation income tax rate reductions to go
18 into effect for the next tax year that would reduce by such certified amount
19 the tax rates during the fiscal year after the next fiscal year according to
20 the provisions of this section, as follows: (A) Rate reduction shall be
21 applied for the surtax on corporations applicable to the current tax year by
22 such excess percentage. In any such computation by the secretary pursuant
23 to this subsection in which the surtax is below 0.4%, the surtax rate shall
24 be 0%. Based on all such determinations, the secretary shall reduce the
25 surtax on corporations prescribed by K.S.A. 79-32,110, and amendments
26 thereto, as required by this section; and

27 (B) upon the surtax on corporations being reduced to 0% pursuant to
28 the provisions of subsection (a)(1)(A), rate reduction next shall be applied
29 for the normal tax on corporations. In any such computation by the
30 secretary pursuant to this subsection in which the normal tax on
31 corporations is below 0.4%, such tax rate shall be 0%. Based on such
32 determination, the secretary shall reduce the normal tax on corporations
33 prescribed by K.S.A. 79-32,110, and amendments thereto, as required by
34 this section.

35 (2) In any fiscal year in which the amount of actual corporation
36 income tax state general fund receipts for such fiscal year are 102% or less

1 than the actual corporation income tax state general fund receipts from the
 2 immediately preceding fiscal year, the director of legislative research shall
 3 certify such amount and fact to the secretary of revenue and the director of
 4 the budget. Upon receipt of such amount and fact, the secretary of revenue
 5 shall not make any adjustment to the surtax or normal tax rates for that tax
 6 year.

7 (b) The secretary of revenue shall report any reduction in income tax
 8 rates prescribed by this section to the chairperson of the assessment and
 9 taxation committee of the senate, the chairperson of the taxation
 10 committee of the house of representatives and the governor, and shall
 11 cause notice of any such reduction to be published in the Kansas register
 12 prior to September 15 of the calendar year immediately preceding the tax
 13 year in which such reduction takes effect.

14 Sec. 2. K.S.A. 2012 Supp. 79-32,110 is hereby amended to read as
 15 follows: 79-32,110. (a) *Resident Individuals*. Except as otherwise provided
 16 by subsection (a) of K.S.A. 79-3220, and amendments thereto, a tax is
 17 hereby imposed upon the Kansas taxable income of every resident
 18 individual, which tax shall be computed in accordance with the following
 19 tax schedules:

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

21 (A) For tax year 2012:

If the taxable income is:	The tax is:
22 Not over \$30,000.....	3.5% of Kansas taxable income
23 Over \$30,000 but not over	\$1,050 plus 6.25% of excess
24 \$60,000.....	over \$30,000
25 Over \$60,000.....	\$2,925 plus 6.45% of excess
26	over \$60,000

27 (B) For tax year 2013, and all tax years thereafter:

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

31 (2) *All other individuals.*

32 (A) For tax year 2012:

If the taxable income is:	The tax is:
33 Not over \$15,000.....	3.5% of Kansas taxable income
34 Over \$15,000 but not over	\$525 plus 6.25% of excess
35 \$30,000.....	over \$15,000
36 Over \$30,000.....	\$1,462.50 plus 6.45% of excess
37	over \$30,000

38 (B) For tax year 2013, and all tax years thereafter:

If the taxable income is:	The tax is:
39 Not over \$15,000.....	3.0 % of Kansas taxable income

1 Over \$15,000.....\$450 plus 4.9% of excess over
 2 \$15,000

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

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

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

14 (2) (A) for tax year 2008, the surtax shall be in an amount equal to
 15 3.1% of the Kansas taxable income of such corporation in excess of
 16 \$50,000;

17 (B) for tax years 2009 and 2010, the surtax shall be in an amount
 18 equal to 3.05% of the Kansas taxable income of such corporation in excess
 19 of \$50,000; and

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

23 (d) *Fiduciaries.* A tax is hereby imposed upon the Kansas taxable
 24 income of estates and trusts at the rates provided in paragraph (2) of
 25 subsection (a) hereof.

26 (e) *Tax rates provided in this section shall be adjusted pursuant to the*
 27 *provisions of section 1, and amendments thereto.*

28 Sec. 3. K.S.A. 2012 Supp. 79-32,110 is hereby repealed.

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