

OVERVIEW OF KANSAS TAXES

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Taxes



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Property Tax

Retail Sales Tax

Individual Income Tax

Other Taxes

Base x Rate = Tax

Property Tax

Largest revenue generator for state and
locals combined

Relatively little State General Fund impact

Property Tax Calculation

Base x Rate = Tax

becomes

From the taxpayer's perspective:

Assessed Valuation x Combined Mill Levies = Tax

From each taxing unit's perspective:

Aggregate Assessed Valuation x Mill Levy = Tax

Property Tax Calendar



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The property tax year lasts about 18 months:

January 1 – Property is appraised as of January 1

March 1 – Counties notify taxpayers of property value

June 15 – Counties notify taxing districts of values

August 25 – Taxing districts certify budget to counties

December 15 – Tax statements sent by counties to taxpayers

December 20 – First half of tax due

May 10 of following year – Second half of tax due

All property is appraised at fair market value, other than agricultural land, which is valued based on use value.

Appraisal is based on condition as of January 1.

Property is assessed according to the percentage of value provided for that class of property.

Residential – 11.5%, Commercial and Industrial – 25%, Agricultural – 30%

Every Kansas taxpayer pays a mill levy to the state, a county and a school district.

Taxpayers may pay a mill levy for a city, township, and any number of special taxing districts.

Statewide average rate in 2019 was 134.245 mills; 137.334 mills for urban taxpayers and 127.866 mills for rural taxpayers.

Countywide averages ranged from 92-212 mills.

Around 4,500 taxing districts statewide – largest number is townships, cemeteries and cities.

Revenue is largest in schools, counties and cities.

Example Taxpayers

\$130,000 home x 11.5% = \$14,950 assessed value

\$14,950 x 0.134245 mills = \$2,007 tax

\$1,961 tax after school exemption

**\$1,000,000 commercial property x 25% = \$250,000
assessed value**

\$250,000 x 0.134245 mills = \$33,561 tax

Individual Income Tax

Largest single State General Fund
revenue source

Very little revenue to any other fund

Income Tax Calculation

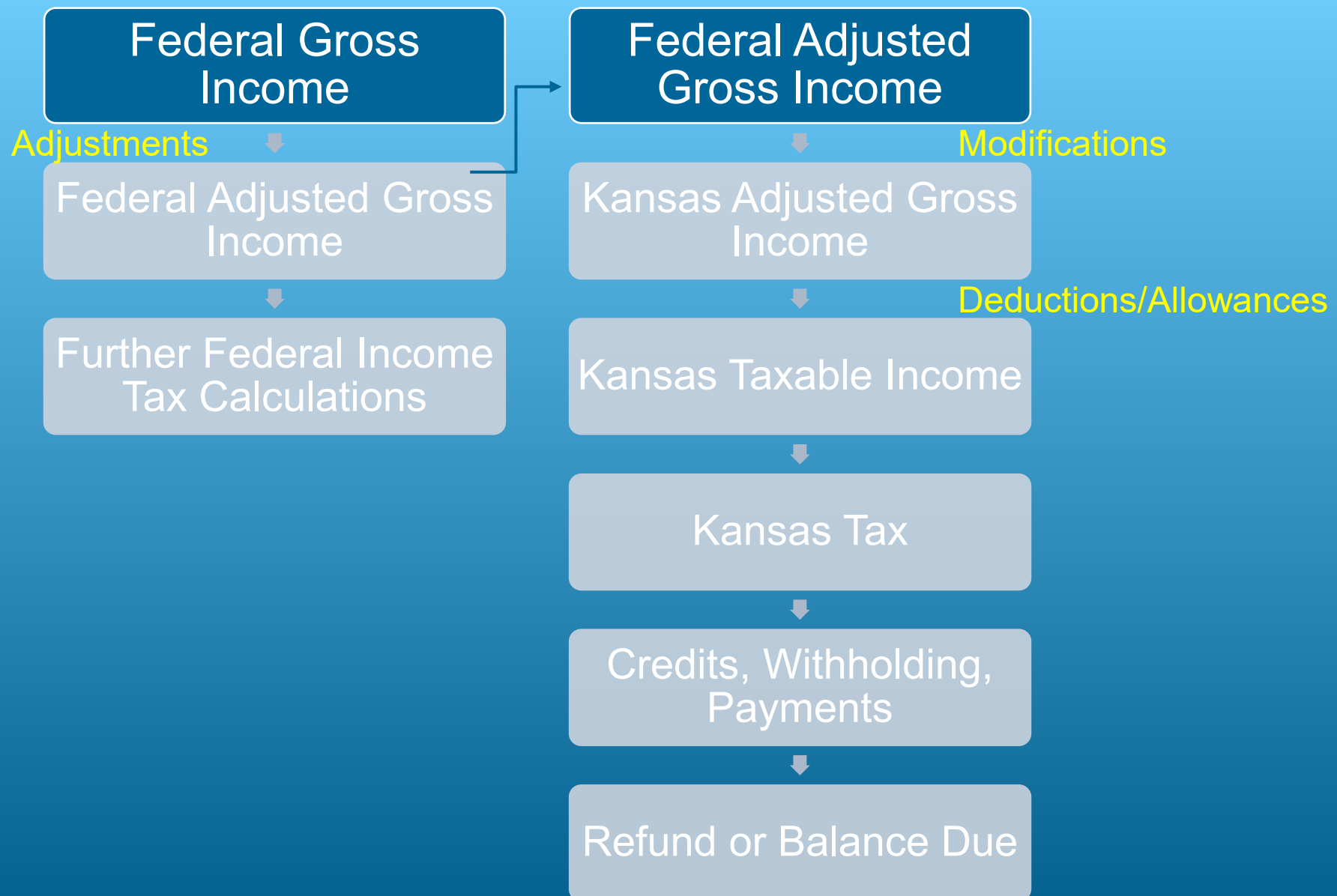
Base x Rate = Tax gets a little more complicated by brackets and credits

Base is Kansas Taxable Income

Rate is established via brackets where first \$15,000 of taxable income is taxed at 3.1%, next \$15,000 at 5.25%, and any additional at 5.7% -- those ranges are doubled for joint filers

Credits function to reduce tax liability by a dollar amount after the tax is calculated

Income Tax Progression



Sales Tax

Significant revenue source for both state and local units of government.

State revenue goes to SGF and State Highway Fund

Sales Tax Calculation

Base x Rate = Tax

becomes

**Gross Receipts from Taxable Sale x Combined State
and Local Tax Rate = Sales Tax**

Blanket taxation of tangible personal property sold at retail

Taxation of specified admissions, rental, dues and fees

No blanket taxation of services, but rather targeted to certain cable and telecommunications, car washing, and installation and maintenance of tangible personal property

Exemptions to otherwise taxable sales

Tax Rate

State rate of 6.5%

Cities may apply a rate of up to 3% (2% general and 1% specified)

Counties may apply a rate of up to 1% general and may receive special legislative authorization for additional authority

Community Improvement Districts and Transportation Development Districts may add to the tax rate.

Highest combined rate in Kansas is 11.6%

Additional sales tax questions



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Since rates vary, where does the “sale” occur?

Does compensating use tax apply to a transaction?

What about sales on the internet?



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