

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

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

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**MEMORANDUM**

To: Members of the House Committee on Taxation

From: Adam Siebers, Assistant Revisor

Date: March 6, 2024

Subject: House Bill No. 2798

**Summary**

House Bill No. 2798 would apportion business income for taxpayers by multiplying the business income by the sales factor and provide for a decrease in corporate income tax rates.

Sections 1 & 4 – Provides for a potential decrease in the corporate normal income tax rate starting in 2027. The rate would be decreased in an amount proportional to the tax rate equal to the amount of actual corporate income tax receipt revenues generated compared with fiscal year 2026 over 2025.

Section 2 & 3 – Provides that for tax years 2024 and 2025, financial institutions and business may elect income to be apportioned pursuant to the receipts factor for financial institutions and sales factor for business income rather than the current three factor (receipts/sales, property and payroll) required by Kansas law. Starting December 31, 2025, all business income (including interstate motor carriers) shall be apportioned by multiplying business income by the sales factor (or the receipts factor for financial institutions).

Publicly traded companies would be eligible for a deduction for the 2027 tax year that would apply in proportion to the next 9 successive tax years.