

HOUSE BILL No. 2407

By Committee on Taxation

1 AN ACT concerning taxation; relating to income tax, rates; sales taxation,
2 distribution of revenues; amending K.S.A. 2010 Supp. 79-32,110, 79-
3 3620 and 79-3710 and repealing the existing sections.

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

6 Section 1. K.S.A. 2010 Supp. 79-32,110 is hereby amended to read as
7 follows: 79-32,110. (a) *Resident Individuals*. Except as otherwise provided
8 by subsection (a) of K.S.A. 79-3220, and amendments thereto, a tax is
9 hereby imposed upon the Kansas taxable income of every resident
10 individual, which tax shall be computed in accordance with the following
11 tax schedules:

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

13 (A) *For tax year 2011:*

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

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18 (B) *For tax year 2012, and all tax years thereafter:*

If the taxable income is:.....	The tax is:
Not over \$50,000	3.5% of Kansas taxable income
Over \$50,000 but not over \$90,000	\$1,750 plus 6.25% of excess over \$50,000
Over \$90,000.....	\$4,250 plus 6.45% of excess over \$90,000

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23 (2) *All other individuals.*

24 (A) ~~For tax year 1997:~~

If the taxable income is:.....	The tax is:
Not over \$20,000	4.1% of Kansas taxable income
Over \$20,000 but not over \$30,000.....	\$820 plus 7.5% of excess over \$20,000
Over \$30,000	\$1,570 plus 7.75% of excess over \$30,000

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29 (B) ~~For tax year 1998, and all tax years thereafter 2011:~~

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

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34 (B) *For tax year 2012, and all tax years thereafter:*

If the taxable income is:	The tax is:
Not over \$25,000.....	3.5% of Kansas taxable income

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1 Over \$25,000 but not over \$45,000.....\$875 plus 6.25% of excess over \$25,000

2 Over \$45,000.....\$2,125 plus 6.45% of excess over \$45,000

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 Sec. 2. K.S.A. 2010 Supp. 79-3620 is hereby amended to read as
27 follows: 79-3620. (a) All revenue collected or received by the director of
28 taxation from the taxes imposed by this act shall be remitted to the state
29 treasurer in accordance with the provisions of K.S.A. 75-4215, and
30 amendments thereto. Upon receipt of each such remittance, the state
31 treasurer shall deposit the entire amount in the state treasury, less amounts
32 withheld as provided in subsection (b) and amounts credited as provided in
33 subsection (c), (d) and (e), to the credit of the state general fund.

34 (b) A refund fund, designated as "sales tax refund fund" not to exceed
35 \$100,000 shall be set apart and maintained by the director from sales tax
36 collections and estimated tax collections and held by the state treasurer for
37 prompt payment of all sales tax refunds including refunds authorized
38 under the provisions of K.S.A. 79-3635, and amendments thereto. Such
39 fund shall be in such amount, within the limit set by this section, as the
40 director shall determine is necessary to meet current refunding
41 requirements under this act. In the event such fund as established by this
42 section is, at any time, insufficient to provide for the payment of refunds
43 due claimants thereof, the director shall certify the amount of additional

1 funds required to the director of accounts and reports who shall promptly
2 transfer the required amount from the state general fund to the sales tax
3 refund fund, and notify the state treasurer, who shall make proper entry in
4 the records.

5 ~~(c) (1) The state treasurer shall credit 5/98 of the revenue collected or~~
6 ~~received from the tax imposed by K.S.A. 79-3603, and amendments~~
7 ~~thereto, at the rate of 4.9%, and deposited as provided in subsection (a),~~
8 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~
9 ~~highway fund.~~

10 ~~(2) The state treasurer shall credit 5/106 of the revenue collected or~~
11 ~~received from the tax imposed by K.S.A. 79-3603, and amendments~~
12 ~~thereto, at the rate of 5.3%, and deposited as provided in subsection (a),~~
13 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~
14 ~~highway fund.~~

15 ~~(3) On July 1, 2006, the state treasurer shall credit 19/265 of the~~
16 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
17 ~~and amendments thereto, at the rate of 5.3%, and deposited as provided by~~
18 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
19 ~~the state highway fund.~~

20 ~~(4) On July 1, 2007, the state treasurer shall credit 13/106 of the~~
21 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
22 ~~and amendments thereto, at the rate of 5.3%, and deposited as provided by~~
23 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
24 ~~the state highway fund.~~

25 (5) On July 1, 2010, the state treasurer shall credit 11.427% of the
26 revenue collected and received from the tax imposed by K.S.A. 79-3603,
27 and amendments thereto, at the rate of 6.3%, and deposited as provided by
28 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
29 the state highway fund.

30 ~~(6) (2) On July 1, 2011, and before January 1, 2012, the state~~
31 ~~treasurer shall credit 11.26% of the revenue collected and received from~~
32 ~~the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of~~
33 ~~6.3%, and deposited as provided by subsection (a), exclusive of amounts~~
34 ~~credited pursuant to subsection (d), in the state highway fund.~~

35 ~~(7) On July 1, 2012, the state treasurer shall credit 11.233% of the~~
36 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
37 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
38 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
39 ~~the state highway fund, as well as such revenue collected and received at~~
40 ~~the rate of 6.3%, after June 30, 2013.~~

41 (3) *On January 1, 2012, and before July 1, 2013, the state treasurer*
42 *shall not credit any of the revenue collected from the tax imposed by*
43 *K.S.A. 79-3603, and amendments thereto, except as provided in subsection*

1 (d), to the state highway fund.

2 (8) (4) On July 1, 2013, and thereafter, the state treasurer shall credit
3 ~~18.421~~ 7.018% of the revenue collected and received from the tax imposed
4 by K.S.A. 79-3603, and amendments thereto, at the rate of 5.7%, and
5 deposited as provided by subsection (a), exclusive of amounts credited
6 pursuant to subsection (d), in the state highway fund.

7 (d) The state treasurer shall credit all revenue collected or received
8 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as
9 certified by the director, from taxpayers doing business within that portion
10 of a STAR bond project district occupied by a STAR bond project or
11 taxpayers doing business with such entity financed by a STAR bond
12 project as defined in K.S.A. 2010 Supp. 12-17,162, and amendments
13 thereto, that was determined by the secretary of commerce to be of
14 statewide as well as local importance or will create a major tourism area
15 for the state or the project was designated as a STAR bond project as
16 defined in K.S.A. 2010 Supp. 12-17,162, and amendments thereto, to the
17 city bond finance fund, which fund is hereby created. The provisions of
18 this subsection shall expire when the total of all amounts credited
19 hereunder and under subsection (d) of K.S.A. 79-3710, and amendments
20 thereto, is sufficient to retire the special obligation bonds issued for the
21 purpose of financing all or a portion of the costs of such STAR bond
22 project.

23 (e) All revenue certified by the director of taxation as having been
24 collected or received from the tax imposed by subsection (c) of K.S.A. 79-
25 3603, and amendments thereto, on the sale or furnishing of gas, water,
26 electricity and heat for use or consumption within the intermodal facility
27 district described in this subsection, shall be credited by the state treasurer
28 to the state highway fund. Such revenue may be transferred by the
29 secretary of transportation to the rail service improvement fund pursuant to
30 law. The provisions of this subsection shall take effect upon certification
31 by the secretary of transportation that a notice to proceed has been
32 received for the construction of the improvements within the intermodal
33 facility district, but not later than December 31, 2010, and shall expire
34 when the secretary of revenue determines that the total of all amounts
35 credited hereunder and pursuant to subsection (e) of K.S.A. 79-3710, and
36 amendments thereto, is equal to \$53,300,000, but not later than December
37 31, 2045. Thereafter, all revenues shall be collected and distributed in
38 accordance with applicable law. For all tax reporting periods during which
39 the provisions of this subsection are in effect, none of the exemptions
40 contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply
41 to the sale or furnishing of any gas, water, electricity and heat for use or
42 consumption within the intermodal facility district. As used in this
43 subsection, "intermodal facility district" shall consist of an intermodal

1 transportation area as defined by subsection (oo) of K.S.A. 12-1770a, and
2 amendments thereto, located in Johnson county within the polygonal-
3 shaped area having Waverly Road as the eastern boundary, 191st Street as
4 the southern boundary, Four Corners Road as the western boundary, and
5 Highway 56 as the northern boundary, and the polygonal-shaped area
6 having Poplar Road as the eastern boundary, 183rd Street as the southern
7 boundary, Waverly Road as the western boundary, and the BNSF mainline
8 track as the northern boundary, that includes capital investment in an
9 amount exceeding \$150 million for the construction of an intermodal
10 facility to handle the transfer, storage and distribution of freight through
11 railway and trucking operations.

12 Sec. 3. K.S.A. 2010 Supp. 79-3710 is hereby amended to read as
13 follows: 79-3710. (a) All revenue collected or received by the director
14 under the provisions of this act shall be remitted to the state treasurer in
15 accordance with the provisions of K.S.A. 75-4215, and amendments
16 thereto. Upon receipt of each such remittance, the state treasurer shall
17 deposit the entire amount in the state treasury, less amounts set apart as
18 provided in subsection (b) and amounts credited as provided in subsection
19 (c), (d) and (e), to the credit of the state general fund.

20 (b) A revolving fund, designated as "compensating tax refund fund"
21 not to exceed \$10,000, shall be set apart and maintained by the director
22 from compensating tax collections and estimated tax collections and held
23 by the state treasurer for prompt payment of all compensating tax refunds.
24 Such fund shall be in such amount, within the limit set by this section, as
25 the director shall determine is necessary to meet current refunding
26 requirements under this act.

27 ~~(c) (1) The state treasurer shall credit 5/98 of the revenue collected or~~
28 ~~received from the tax imposed by K.S.A. 79-3703, and amendments~~
29 ~~thereto, at the rate of 4.9%, and deposited as provided in subsection (a),~~
30 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~
31 ~~highway fund.~~

32 ~~(2) The state treasurer shall credit 5/106 of the revenue collected or~~
33 ~~received from the tax imposed by K.S.A. 79-3703, and amendments~~
34 ~~thereto, at the rate of 5.3%, and deposited as provided in subsection (a),~~
35 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~
36 ~~highway fund.~~

37 ~~(3) On July 1, 2006, the state treasurer shall credit 19/265 of the~~
38 ~~revenue collected or received from the tax imposed by K.S.A. 79-3703,~~
39 ~~and amendments thereto, at the rate of 5.3%, and deposited as provided by~~
40 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
41 ~~the state highway fund.~~

42 ~~(4) On July 1, 2007, the state treasurer shall credit 13/106 of the~~
43 ~~revenue collected or received from the tax imposed by K.S.A. 79-3703,~~

1 ~~and amendments thereto, at the rate of 5.3%, and deposited as provided by~~
2 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
3 ~~the state highway fund.~~

4 (5) On July 1, 2010, the state treasurer shall credit 11.427% of the
5 revenue collected and received from the tax imposed by K.S.A. 79-3703,
6 and amendments thereto, at the rate of 6.3%, and deposited as provided by
7 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
8 the state highway fund.

9 (6) (2) On July 1, 2011, *and before January 1, 2012*, the state
10 treasurer shall credit 11.26% of the revenue collected and received from
11 the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of
12 6.3%, and deposited as provided by subsection (a), exclusive of amounts
13 credited pursuant to subsection (d), in the state highway fund.

14 ~~(7) On July 1, 2012, the state treasurer shall credit 11.233% of the~~
15 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
16 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
17 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
18 ~~the state highway fund, as well as such revenue collected and received at~~
19 ~~the rate of 6.3%, after June 30, 2013.~~

20 (3) *On January 1, 2012, and before July 1, 2013, the state treasurer*
21 *shall not credit any of the revenue collected from the tax imposed by*
22 *K.S.A. 79-3603, and amendments thereto, except as provided in subsection*
23 *(d), to the state highway fund.*

24 (8) (4) On July 1, 2013, and thereafter, the state treasurer shall credit
25 ~~18.421~~ 7.018% of the revenue collected and received from the tax imposed
26 by K.S.A. 79-3703, and amendments thereto, at the rate of 5.7%, and
27 deposited as provided by subsection (a), exclusive of amounts credited
28 pursuant to subsection (d), in the state highway fund.

29 (d) The state treasurer shall credit all revenue collected or received
30 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as
31 certified by the director, from taxpayers doing business within that portion
32 of a redevelopment district occupied by a redevelopment project that was
33 determined by the secretary of commerce to be of statewide as well as
34 local importance or will create a major tourism area for the state as defined
35 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance
36 fund created by subsection (d) of K.S.A. 79-3620, and amendments
37 thereto. The provisions of this subsection shall expire when the total of all
38 amounts credited hereunder and under subsection (d) of K.S.A. 79-3620,
39 and amendments thereto, is sufficient to retire the special obligation bonds
40 issued for the purpose of financing all or a portion of the costs of such
41 redevelopment project.

42 This subsection shall not apply to a project designated as a special bond
43 project as defined in subsection (z) of K.S.A. 12-1770a, and amendments

1 thereto.

2 (e) All revenue certified by the director of taxation as having been
3 collected or received from the tax imposed by subsection (c) of K.S.A. 79-
4 3603, and amendments thereto, on the sale or furnishing of gas, water,
5 electricity and heat for use or consumption within the intermodal facility
6 district described in this subsection, shall be credited by the state treasurer
7 to the state highway fund. Such revenue may be transferred by the
8 secretary of transportation to the rail service improvement fund pursuant to
9 law. The provisions of this subsection shall take effect upon certification
10 by the secretary of transportation that a notice to proceed has been
11 received for the construction of the improvements within the intermodal
12 facility district, but not later than December 31, 2010, and shall expire
13 when the secretary of revenue determines that the total of all amounts
14 credited hereunder and pursuant to subsection (e) of K.S.A. 79-3620, and
15 amendments thereto, is equal to \$53,300,000, but not later than December
16 31, 2045. Thereafter, all revenues shall be collected and distributed in
17 accordance with applicable law. For all tax reporting periods during which
18 the provisions of this subsection are in effect, none of the exemptions
19 contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply
20 to the sale or furnishing of any gas, water, electricity and heat for use or
21 consumption within the intermodal facility district. As used in this
22 subsection, "intermodal facility district" shall consist of an intermodal
23 transportation area as defined by subsection (oo) of K.S.A. 12-1770a, and
24 amendments thereto, located in Johnson county within the polygonal-
25 shaped area having Waverly Road as the eastern boundary, 191st Street as
26 the southern boundary, Four Corners Road as the western boundary, and
27 Highway 56 as the northern boundary, and the polygonal-shaped area
28 having Poplar Road as the eastern boundary, 183rd Street as the southern
29 boundary, Waverly Road as the western boundary, and the BNSF mainline
30 track as the northern boundary, that includes capital investment in an
31 amount exceeding \$150 million for the construction of an intermodal
32 facility to handle the transfer, storage and distribution of freight through
33 railway and trucking operations.

34 Sec. 4. K.S.A. 2010 Supp. 79-32,110, 79-3620 and 79-3710 are
35 hereby repealed.

36 Sec. 5. This act shall take effect and be in force from and after its
37 publication in the statute book.