

SESSION OF 2023

SUPPLEMENTAL NOTE ON SENATE BILL NO. 169

As Recommended by Senate Committee on
Assessment and Taxation

Brief*

SB 169 would provide, beginning in tax year 2024, for a single individual income tax rate of 4.75 percent to be applied to all Kansas taxable income in excess of \$10,450 for married individuals filing joint returns and \$5,225 for all other individuals. Kansas taxable income less than those amounts would not be taxed.

Background

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Tyson.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by representatives of Americans for Prosperity-Kansas, Americans for Tax Reform, Kansas Chamber of Commerce, and Kansas Policy Institute. The proponents generally stated the bill would reduce income taxes for all Kansans, simplify income tax returns, and position Kansas for stronger economic growth.

Written-only proponent testimony was provided by representatives of National Federation of Independent Business-Kansas.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Opponent testimony was provided by representatives of Kansas Action for Children and Tax Simple Center. The opponents generally stated the bill would reduce tax revenue while certain government services are underfunded and would disproportionately benefit individuals with high incomes.

Written-only opponent testimony was provided by representatives of Game On for Kansas Schools, Kansas National Education Association, Kansas Parent Teacher Association, and United Way of Kaw Valley and by nine private citizens.

Neutral testimony was provided by representatives of KanCare Advocates Network and Kansas Association of School Boards.

Written-only neutral testimony was provided by a representative of American Legislative Exchange Council.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue indicates enactment of the bill would reduce state receipts by \$170.4 million in FY 2024, \$568.5 million in FY 2025, and \$574.2 million in FY 2026. Any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

Taxation; income tax; rates; brackets