

Substitute for SENATE BILL No. 565

By Committee on Assessment and Taxation

3-21

1 AN ACT concerning income taxation; relating to rates; providing a 4.75%
2 tax rate for individuals; amending K.S.A. 79-32,110, as amended by
3 section 15 of 2022 Senate Bill No. 347, and repealing the existing
4 section.

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

7 Section 1. K.S.A. 79-32,110, as amended by section 15 of 2022
8 Senate Bill No. 347, is hereby amended to read as follows: 79-32,110. (a)
9 *Resident Individuals.* Except as otherwise provided by K.S.A. 79-3220(a),
10 and amendments thereto, a tax is hereby imposed upon the Kansas taxable
11 income of every resident individual, which tax shall be computed in
12 accordance with the following tax schedules:

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

14 (A) For tax year 2012:

| If the taxable income is: | The tax is: |
|---|--|
| 15 Not over \$30,000..... | 3.5% of Kansas taxable income |
| 16 Over \$30,000 but not over \$60,000..... | \$1,050 plus 6.25% of excess 17 over \$30,000 |
| 18 Over \$60,000..... | \$2,925 plus 6.45% of excess 19 over \$60,000 |

20
21 (B) For tax year 2013:

| If the taxable income is: | The tax is: |
|---------------------------|---|
| 22 Not over \$30,000..... | 3.0% of Kansas taxable income |
| 23 Over \$30,000..... | \$900 plus 4.9% of excess over 24 \$30,000 |

25
26 (C) For tax year 2014:

| If the taxable income is: | The tax is: |
|---------------------------|---|
| 27 Not over \$30,000..... | 2.7% of Kansas taxable income |
| 28 Over \$30,000..... | \$810 plus 4.8% of excess over 29 \$30,000 |

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31 (D) For tax years 2015 and 2016:

| If the taxable income is: | The tax is: |
|---------------------------|---|
| 32 Not over \$30,000..... | 2.7% of Kansas taxable income |
| 33 Over \$30,000..... | \$810 plus 4.6% of excess over 34 \$30,000 |

35
36 (E) For tax year 2017:

| | | |
|----|---|----------------------------------|
| 1 | If the taxable income is: | The tax is: |
| 2 | Not over \$30,000..... | 2.9% of Kansas taxable income |
| 3 | Over \$30,000 but not over \$60,000..... | \$870 plus 4.9% of excess over |
| 4 | | \$30,000 |
| 5 | Over \$60,000..... | \$2,340 plus 5.2% of excess over |
| 6 | | \$60,000 |
| 7 | (F) For tax year years 2018, and all tax years thereafter through 2023: | |
| 8 | If the taxable income is: | The tax is: |
| 9 | Not over \$30,000..... | 3.1% of Kansas taxable income |
| 10 | Over \$30,000 but not over \$60,000..... | \$930 plus 5.25% of excess |
| 11 | | over \$30,000 |
| 12 | Over \$60,000..... | \$2,505 plus 5.7% of excess |
| 13 | | over \$60,000 |
| 14 | (2) <i>All other individuals.</i> | |
| 15 | (A) For tax year 2012: | |
| 16 | If the taxable income is: | The tax is: |
| 17 | Not over \$15,000..... | 3.5% of Kansas taxable income |
| 18 | Over \$15,000 but not over \$30,000..... | \$525 plus 6.25% of excess |
| 19 | | over \$15,000 |
| 20 | Over \$30,000..... | \$1,462.50 plus 6.45% of excess |
| 21 | | over \$30,000 |
| 22 | (B) For tax year 2013: | |
| 23 | If the taxable income is: | The tax is: |
| 24 | Not over \$15,000..... | 3.0% of Kansas taxable income |
| 25 | Over \$15,000..... | \$450 plus 4.9% of excess over |
| 26 | | \$15,000 |
| 27 | (C) For tax year 2014: | |
| 28 | If the taxable income is: | The tax is: |
| 29 | Not over \$15,000..... | 2.7% of Kansas taxable income |
| 30 | Over \$15,000..... | \$405 plus 4.8% of excess over |
| 31 | | \$15,000 |
| 32 | (D) For tax years 2015 and 2016: | |
| 33 | If the taxable income is: | The tax is: |
| 34 | Not over \$15,000..... | 2.7% of Kansas taxable income |
| 35 | Over \$15,000..... | \$405 plus 4.6% of excess over |
| 36 | | \$15,000 |
| 37 | (E) For tax year 2017: | |
| 38 | If the taxable income is: | The tax is: |
| 39 | Not over \$15,000..... | 2.9% of Kansas taxable income |
| 40 | Over \$15,000 but not over \$30,000..... | \$435 plus 4.9% of excess over |
| 41 | | \$15,000 |
| 42 | Over \$30,000..... | \$1,170 plus 5.2% of excess over |
| 43 | | \$30,000 |

1 (F) For tax-year years 2018, ~~and all tax years thereafter through 2023:~~

| | |
|--|--------------------------------|
| 2 If the taxable income is: | The tax is: |
| 3 Not over \$15,000..... | 3.1% of Kansas taxable income |
| 4 Over \$15,000 but not over \$30,000..... | \$465 plus 5.25% of excess |
| 5 | over \$15,000 |
| 6 Over \$30,000..... | \$1,252.50 plus 5.7% of excess |
| 7 | over \$30,000 |

8 (3) *All resident individuals. For tax year 2024, and all tax years*
9 *thereafter, for all individuals regardless of filing status, the tax shall be in*
10 *an amount equal to 4.75% of the Kansas taxable income of such*
11 *individual.*

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

17 (c) *Corporations.* A tax is hereby imposed upon the Kansas taxable
18 income of every corporation doing business within this state or deriving
19 income from sources within this state. Such tax shall consist of a normal
20 tax and a surtax and shall be computed as follows unless otherwise
21 modified pursuant to section 11 of 2022 Senate Bill No. 347, and
22 amendments thereto:

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

25 (2) the surtax shall be in an amount equal to 3% of the Kansas taxable
26 income of such corporation in excess of \$50,000.

27 (d) *Fiduciaries.* A tax is hereby imposed upon the Kansas taxable
28 income of estates and trusts at the rates provided in subsection (a)(2)
29 ~~hereof~~ *for tax years 2012 through 2023 and at the rate provided in*
30 *subsection (a)(3) for tax year 2024 and all tax years thereafter.*

31 (e) Notwithstanding the provisions of subsections (a) and (b): (1) For
32 tax years 2016 and 2017, married individuals filing joint returns with
33 taxable income of \$12,500 or less, and all other individuals with taxable
34 income of \$5,000 or less, shall have a tax liability of zero; and (2) for tax
35 year 2018, and all tax years thereafter, married individuals filing joint
36 returns with taxable income of \$5,000 or less, and all other individuals
37 with taxable income of \$2,500 or less, shall have a tax liability of zero.

38 (f) No taxpayer shall be assessed penalties and interest arising from
39 the underpayment of taxes due to changes to the rates in subsection (a) that
40 became law on July 1, 2017, so long as such underpayment is rectified on
41 or before April 17, 2018.

42 Sec. 2. K.S.A. 79-32,110, as amended by section 15 of 2022 Senate
43 Bill No. 347, is hereby repealed.

1 Sec. 3. This act shall take effect and be in force from and after its
2 publication in the statute book.