AN ACT concerning privilege tax; relating to rates; decreasing the privilege tax rates on banks, trust companies and savings and loan associations by reducing the normal tax rates; amending K.S.A. 79-1107 and 79-1108 and repealing the existing sections.

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

Section 1. K.S.A. 79-1107 is hereby amended to read as follows: 79-1107. Every national banking association and state bank located or doing business within the state shall pay to the state for the privilege of doing business within the state a tax according to or measured by its net income for the next preceding taxable year to be computed as provided in this act. Such tax shall consist of a normal tax and a surtax and shall be computed as follows:

(a) (1) For tax year 2023, the normal tax shall be an amount equal to 2 1/4% of such net income; (2) for tax year 2024, the normal tax shall be an amount equal to 1.94% of such net income; and (3) for tax year 2025, and all tax years thereafter, the normal tax shall be an amount equal to 1.63% of such net income; and (b) the surtax shall be an amount equal to 2 1/8% of such net income in excess of $25,000.

The tax levied shall be in lieu of ad valorem taxes which might otherwise be imposed by the state or political subdivisions thereof upon shares of capital stock or the intangible assets of national banking associations and state banks.

Sec. 2. K.S.A. 79-1108 is hereby amended to read as follows: 79-1108. Every trust company and savings and loan association located or doing business within the state shall pay to the state for the privilege of doing business within the state a tax according to or measured by its net income for the next preceding taxable year to be computed as provided in this act. Such tax shall consist of a normal tax and a surtax and shall be computed as follows:

(a) (1) For tax year 2023, the normal tax on every trust company and savings and loan association shall be an amount equal to 2 1/8% of such net income; (2) for tax year 2024, the normal tax shall be an amount equal to 1.94% of such net income; and (3) for tax year 2025, and all tax years thereafter, the normal tax shall be an amount equal to 1.63% of such net income; and (b) the surtax shall be an amount equal to 2 1/8% of such net income in excess of $25,000.
1.93% of such net income; and
(3) for tax year 2025, and all tax years thereafter, the normal tax shall be an amount equal to 1.61% of such net income; and
(b) the surtax on every trust company and savings and loan association shall be an amount equal to $2^{1/4}$% of such net income in excess of $25,000.

The tax levied shall be in lieu of ad valorem taxes which might otherwise be imposed by the state or political subdivision thereof upon shares of capital stock or other intangible assets of trust companies and savings and loan associations.

Sec. 3. K.S.A. 79-1107 and 79-1108 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.