Policy & Research 915 SW Harrison St Topeka KS 66612-1588

Nick Jordan, Secretary Richard Cram, Director



Phone: 785-296-3081 FAX: 785-296-7928 www.ksrevenue.org

Sam Brownback, Governor

January 23, 2013

Senate Committee on Assessment and Taxation

Request for Introduction of Governor Brownback's 2013 Tax Proposal

by Richard Cram

Chairman Les Donovan and Members of the Committee:

On behalf of Governor Sam Brownback, the Department of Revenue respectfully requests for introduction as a Committee bill the following proposal:

Retain the state sales and use tax rate at 6.3% and distribute same amount of revenue from state sales and use tax receipts to the State Highway Fund as under current law;

Decrease the individual income tax lower bracket rate from 3.0% to 2.5% in Tax Year 2014 and from 2.5% to 1.9% in Tax Year 2016; decrease individual income tax upper bracket rate from 4.9% to 3.5% in Tax Year 2017;

Exclude from the Kansas itemized deduction residential interest and real property taxes effective Tax Year 2013; and

<u>Provide that commencing in Fiscal Year 2015, state general fund growth from tax receipts in excess of 4% will be applied to reduce individual income tax rates in future tax years.</u>