

Kansas Tax Facts

2024 Supplement to the
Ninth Edition



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FOREWORD

The ninth edition of *Kansas Tax Facts* (“Tax Facts”) was published in December 2023. This addendum is designed to supplement and update that publication by providing information on legislation enacted through 2024 and tax receipts for state fiscal year 2024 and tax year 2023 for taxes generally reported on a calendar year basis.

The main purpose of Tax Facts is to provide basic information on state and local imposed taxes in a convenient handbook to be used as a reference resource on the Kansas tax system.

KLRD expresses its appreciation to the state tax administrative agencies, especially the Department of Revenue, and to the Division of Accounts and Reports of the Department of Administration for their assistance in providing basic data for Tax Facts.

TAX HIGHLIGHTS FROM 2024

Receipt Highlights

In 2024, state and local total tax receipts increased by \$310.0 million, or 1.5 percent. State tax receipts decreased by \$224.4 million, or 1.8 percent, and local tax receipts increased by \$534.5 million, or 6.7 percent.

The decline in state tax receipts was attributable to declines in income taxes, retail sales tax, and unemployment insurance tax. The income tax declines were largely associated with receipts being accelerated from fiscal year 2024 into fiscal year 2023 due to the implementation of the SALT Parity Act. The decline in retail sales tax receipts was attributable to the continued reduction of the state sales tax rate on food and food ingredients. The decrease in unemployment insurance tax receipts was attributable to reduced tax rates due to rate credit schedules being initiated because of the high level of solvency of the Employment Security Fund.

These declines were partially offset by increased compensating use tax receipts, which was largely attributable to inflation and increased consumer spending on remote transactions.

The increase in local government tax receipts was largely driven by higher property tax revenues, which accounted for 88.7 percent of the increase. Schools, cities, counties, townships, and special districts all contributed to increased property tax revenues. Additional increases came from local sales and use taxes and vehicle taxes.

Policy Highlights

In 2024, the Legislature enacted substantial income tax reforms and various other tax policies.

Income tax reform included collapsing the three-bracket tax system into a two-bracket system and reducing tax rates, with the top rate reduced from 5.7 percent to 5.58 percent. The changes also included increases to the standard deduction and personal exemption amounts and the creation of a personal exemption system providing for different amounts for single and joint filers and dependents. The reforms also included the exemption of all Social Security benefits from income taxes and reduced financial institutions privilege tax rates.

Additional income tax provisions enacted included revisions to the SALT Parity Act, modifications to various points of coupling to the federal Internal Revenue Code, an increase to the credit for child and dependent care expenses, increases to the adoption tax credit, the creation of a tax credit for contributions to certain pregnancy resource centers, the extension of tax credits for single-city port authorities and employment of individuals with disabilities, and reductions to penalties for late remittance of withholding tax.

Property tax changes included an increase to the residential exemption from the statewide uniform school finance levy to \$75,000, clarifications and increased uniformity to property tax exemptions for electric generation facilities, and various revisions to property tax administration.

Sales and use tax changes included expanded local sales tax authority and sales tax exemptions for disabled veterans, non-simultaneous motor vehicle transactions, telecommunications infrastructure, custom meat-processing services, and various nonprofit organizations.

COMBINED STATE AND LOCAL TAX REVENUE

Kansas state and local government net tax revenue totaled \$20.8 billion in FY 2024, which was an increase of 1.5 percent above the prior year and 58.1 percent above the amount one decade prior. General property taxes returned to being the largest combined state and local revenue source in 2024 after a two-year period in which receipts from income and privilege taxes and sales and use taxes had exceeded receipts from general property taxes, for likely the first time in state history. Following are the tax levies, or collections, combining state and local revenue in descending order of magnitude for FY 2024.

Table 1
Kansas State and Local Taxes
(In Thousands)

	FY 2021	FY 2022	FY 2023	FY 2024	Percent of FY 2024 Total	Percent Change from FY 2023
General Property ¹	\$ 5,417,369	\$ 5,593,277	\$ 5,942,372	\$ 6,422,236	30.94 %	8.08
Sales and Use ²	5,080,429	5,768,231	5,971,242	5,990,456	28.86	0.32
Income and Privilege	5,344,578	5,736,582	6,100,758	5,989,396	28.85	(1.83)
Insurance Premiums	450,742	466,396	503,133	514,186	2.48	2.20
Various Vehicle ^{1,3}	455,978	480,670	467,949	477,762	2.30	2.10
Motor Fuels	445,472	466,378	465,687	458,281	2.21	(1.59)
Vehicle Registration	255,939	261,206	264,117	263,359	1.27	(0.29)
Unemployment Comp.	300,541	333,118	291,293	231,222	1.11	(20.62)
Liquor and Beer	142,873	162,465	168,659	171,030	0.82	1.41
Cigarette and Tobacco	125,977	122,927	112,685	104,897	0.51	(6.91)
Transient Guest	27,712	48,346	58,779	63,579	0.31	8.17
Severance	27,330	65,296	72,078	43,372	0.21	(39.83)
Motor Carrier Property ⁴	14,159	13,607	12,631	12,533	0.06	(0.78)
Corporation Franchise	9,859	8,456	9,191	8,224	0.04	(10.52)
Intangibles ¹	1,564	1,552	1,504	1,389	0.01	(7.63)
Mortgage Registration ⁵	1,113	1,079	812	846	0.00	4.21
All Other ⁶	6,513	6,560	6,894	7,037	0.03	2.08
TOTAL	\$ 18,108,149	\$ 19,536,145	\$ 20,449,784	\$ 20,759,803	100.00 %	1.52

1) Taxes levied for collection during the fiscal year.

2) Includes state, county, city, municipal university, and other special district sales and use taxes.

3) Includes motor vehicle, recreational vehicle, 16M and 20M "tagged" vehicles, rental car excise taxes, and locally collected commercial vehicle fees.

4) Includes state-collected commercial vehicle fees.

5) A small amount of collections retained by certain counties may not be captured.

6) Total revenue from ten taxes, the largest of which for FY 2024 was the clean water drinking tax at \$3.1 million.

State receipts declined by \$224.4 million, or 1.8 percent, to \$12.2 billion in 2024. This decline was largely attributable to policy changes as the SALT Parity Act, enacted in 2022, resulted in certain income tax receipts being accelerated from FY 2024 into FY 2023. Additionally, improved solvency of the State's Employment Security Fund resulted in rate credits for employers in 2024, reducing collections despite growth in payrolls.

Local government tax receipts grew by \$534.5 million, or 6.7 percent, to \$8.6 billion in 2024. This was the highest rate of local government tax growth since 2007. Property taxes were the largest contributor to growth of local government taxes.

State receipts made up 58.7 percent of combined receipts, and local government receipts made up 41.3 percent of combined receipts.

Table 2
State and Local Tax Revenue

Fiscal Year	(In Thousands)					
	State	Percent Change	Local	Percent Change	State and Local	Percent Change
2014	\$ 7,408,456	(6.24) %	\$ 5,718,010	3.45 %	\$ 13,126,466	(2.25) %
2015	7,530,903	1.65	5,834,461	2.04	13,365,364	1.82
2016	7,615,057	1.12	6,073,094	4.09	13,688,151	2.42
2017	7,557,594	(0.75)	6,257,944	3.04	13,815,537	0.93
2018	8,925,697	18.10	6,542,491	4.55	15,468,188	11.96
2019	9,389,051	5.19	6,746,786	3.12	16,135,836	4.32
2020	8,968,782	(4.48)	6,981,875	3.48	15,950,657	(1.15)
2021	10,934,996	21.92	7,173,152	2.74	18,108,149	13.53
2022	11,957,667	9.35	7,578,478	5.65	19,536,145	7.89
2023	12,417,326	3.84	8,032,458	5.99	20,449,784	4.68
2024	12,192,883	(1.81)	8,566,921	6.65	20,759,803	1.52

State tax receipts are largely driven by individual income, corporation income, and retail sales and compensating use taxes. However, various other taxes, including insurance premiums and unemployment compensation taxes, also contribute to state receipts. State taxes are primarily deposited in the State General Fund (SGF), with the State Highway Fund, the Medical Assistance Fee Fund, and the Employment Security Fund also receiving substantial deposits.

Property taxes still make up the vast majority of local government tax revenue, with retail sales and compensating use taxes and various motor vehicle taxes also providing substantial amounts of revenue.

The combined state and local government tax structure has been broad-based and diversified since the 1930s, when income and sales taxes were initially enacted. The broadening of the tax structure generally continued until at least the 1980s, with the adoption of various additional taxes throughout the years. More recent years have seen both the adoption of some new taxes and the repeal of certain taxes that historically broadened the tax structure, including estate and inheritance taxes, mortgage registration taxes, and certain corporate franchise taxes. Some recently repealed taxes have been replaced by newly adopted filing fees. Fees adopted specifically in lieu of taxes are generally captured in this report, but changes to fee rates of existing fees made simultaneously with tax revisions are generally not included as tax revenue.

The following tables show the detailed tax collection information for the past five years for the State and the local governments throughout the state, the distribution of state tax receipts to the SGF and other funds, and the historic distribution of the tax burden across various tax types.

Table 3

State Tax Revenue, Net Refunds, FY 2020–FY 2024
(In Thousands)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Property					
Educational Bldg. ¹	\$ 38,350	\$ 39,417	\$ 40,928	\$ 44,701	\$ 48,564
Institutional Bldg. ¹	19,175	19,708	20,464	22,350	24,282
State General	1	20	(20)	0	0
Mortgage Regis. ²	921	1,113	1,079	812	846
Motor Carrier ³	12,802	14,159	13,607	12,631	12,533
Various Vehicle ⁴	5,830	5,850	6,175	6,022	6,446
Total	\$ 77,079	\$ 80,268	\$ 82,232	\$ 86,516	\$ 92,671
Income and Privilege					
Individual	\$ 3,360,429	\$ 4,617,143	\$ 4,868,320	\$ 4,539,239	\$ 4,523,616
Corporation	384,407	652,286	806,035	1,504,575	1,419,201
Financial Institutions	46,197	75,149	62,227	56,944	46,580
Total	\$ 3,791,033	\$ 5,344,578	\$ 5,736,582	\$ 6,100,758	\$ 5,989,396
Sales, Use, and Excise					
Retail Sales	\$ 2,840,301	\$ 3,046,626	\$ 3,341,847	\$ 3,391,263	\$ 3,292,109
Compensating Use	573,291	720,808	927,624	967,750	1,040,140
Motor Fuels	454,115	445,472	466,378	465,687	458,281
Vehicle Registration	218,827	232,743	236,736	240,211	239,031
Cereal Malt Beverage	599	108	90	81	90
Liquor Gallonage	22,543	26,000	25,855	25,675	26,100
Liquor Enforcement	74,667	81,342	82,988	83,675	83,715
Liquor Drink	46,872	35,423	53,532	59,228	61,124
Cigarette	116,456	113,491	109,406	98,453	90,094
Tobacco Products	9,180	9,919	10,179	10,358	10,509
Electronic Cigarette	2,455	2,567	3,342	3,873	4,294
Corporation Franchise	7,043	9,859	8,456	9,191	8,224
Boat Registration	1,222	1,319	1,155	1,197	1,173
Severance	34,816	27,330	65,296	72,078	43,372
New Tires	752	753	805	829	974
Drycleaning	658	379	604	561	707
Clean Water	2,745	2,933	2,971	3,290	3,110
Total	\$ 4,406,542	\$ 4,757,071	\$ 5,337,265	\$ 5,433,402	\$ 5,363,047
Gross Receipts					
Insurance Premiums ⁵					
Foreign Cos.	\$ 137,799	\$ 143,139	\$ 159,366	\$ 179,686	\$ 185,686
Domestic Cos.	259,883	282,823	281,077	293,480	295,568
Firefighter Relief	14,377	15,104	16,123	17,743	19,855
Fire Marshal	9,167	9,676	9,830	12,225	13,078
<i>Subtotal</i>	<i>\$ 421,227</i>	<i>\$ 450,742</i>	<i>\$ 466,396</i>	<i>\$ 503,133</i>	<i>\$ 514,186</i>
Private Car Cos.	\$ 348	\$ 312	\$ 349	\$ 344	\$ 314
Music-Dramatic Tax	55	39	38	78	33
Bingo/Raffle	249	260	296	298	313
Transient Guest	827	667	1,049	1,207	1,287
Illegal Drugs	509	512	325	271	393
Combative Arts	19	7	17	26	21
Total	\$ 423,234	\$ 452,538	\$ 468,470	\$ 505,357	\$ 516,546
Unemployment Comp.	\$ 270,893	\$ 300,541	\$ 333,118	\$ 291,293	\$ 231,222
TOTAL STATE TAXES	\$ 8,968,782	\$ 10,934,996	\$ 11,957,667	\$ 12,417,326	\$ 12,192,883

1) Taxes levied for collection during the fiscal year.

2) The State's share of per-page filing fees.

3) Includes state-collected commercial vehicle fees.

4) Includes motor vehicle, recreational vehicle, 16M and 20M "tagged" vehicles, rental car excise taxes, and locally collected commercial vehicle fees.

5) Foreign includes retaliatory taxes; domestic includes HMO collections.

Table 4
Allocation of Funds of Total State Tax Revenue
(Net of Refunds)
FY 2024
(In Thousands)

	Amount	Percent of Total	Cumulative Percent	Taxes Credited to	
				SGF	Other Funds
Individual Income	\$ 4,523,616	37.10 %	37.10 %	\$ 4,503,615	\$ 20,001
Retail Sales	3,292,109	27.00	64.10	2,678,278	613,831
Corporation Income	1,419,201	11.64	75.74	1,419,201	0
Compensating Use	1,040,140	8.53	84.27	861,205	178,935
Insurance Premiums	514,186	4.22	88.49	220,680	293,506
Motor Fuels	458,281	3.76	92.25	0	458,281
Motor Vehicle Registration	239,031	1.96	94.21	0	239,031
Unemployment Comp.	231,222	1.90	96.10	0	231,222
Liquor and Beer	171,030	1.40	97.51	123,644	47,386
Cigarette and Tobacco	100,602	0.83	98.33	100,602	0
State Property ¹	72,846	0.60	98.93	0	72,846
Financial Inst. Privilege	46,580	0.38	99.31	46,580	0
Oil Severance	38,551	0.32	99.63	25,924	12,627
Motor Carrier Property	12,764	0.10	99.73	11,786	978
Corporation Franchise	8,224	0.07	99.80	8,224	0
State Motor Vehicle	5,946	0.05	99.85	0	5,946
Gas Severance	4,821	0.04	99.89	-1,617	6,438
Electronic Cigarette	4,294	0.04	99.92	4,294	0
Clean Water	3,110	0.03	99.95	0	3,110
State Transient Guest	1,287	0.01	99.96	1,287	0
Boat Registration	1,173	0.01	99.97	0	1,173
New Tires	974	0.01	99.98	0	974
State Mortgage Reg.	846	0.01	99.98	0	846
Drycleaning	707	0.01	99.99	0	707
Illegal Drugs	393	0.00	99.99	98	294
Private Car Company	314	0.00	99.99	0	314
Bingo/Raffle	313	0.00	100.00	0	313
State Tagged Vehicle	122	0.00	100.00	0	122
Vehicle Rental Excise	81	0.00	100.00	0	81
State Recreational Vehicle	67	0.00	100.00	0	67
Music, Dramatic	33	0.00	100.00	33	0
Combative Arts	21	0.00	100.00	0	21
Total	\$ 12,192,883	100.00 %		\$ 10,003,834	\$ 2,189,049
				82.05%	17.95%

1) This amount excludes the proceeds of the statewide uniform school finance levy, which is statutorily required to be levied by school districts and remitted to the state for school finance expenditures. Prior to FY 2015, receipts from this levy (except for a small amount of excess local effort) had been distributed directly to schools from county treasurers.

Table 5

Local Government Tax Revenue, FY 2020–FY 2024
(In Thousands)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Counties					
Tangible Property ¹	\$ 1,522,816	\$ 1,539,714	\$ 1,590,801	\$ 1,690,684	\$ 1,787,504
Intangibles ²	714	740	730	729	687
Mortgage Registration	0	0	0	0	0
Motor Vehicle Registration ²	24,882	23,196	24,470	23,906	24,328
Transient Guest	3,441	1,893	3,311	4,030	4,360
Various Vehicle ³	147,066	145,511	157,534	148,696	151,928
Sales and Use	628,499	678,367	781,699	834,198	848,271
<i>Subtotal-Counties</i>	<u>\$ 2,327,418</u>	<u>\$ 2,389,421</u>	<u>\$ 2,558,545</u>	<u>\$ 2,702,242</u>	<u>\$ 2,817,078</u>
Cities					
Tangible Property ¹	\$ 955,236	\$ 987,051	\$ 1,018,465	\$ 1,091,457	\$ 1,203,901
Intangibles ²	404	426	405	351	322
Transient Guest	45,719	25,152	43,986	53,541	57,931
Various Vehicle ³	102,916	102,204	107,824	104,921	107,766
Sales and Use	530,835	573,269	644,522	701,598	721,472
<i>Subtotal-Cities</i>	<u>\$ 1,635,111</u>	<u>\$ 1,688,102</u>	<u>\$ 1,815,202</u>	<u>\$ 1,951,869</u>	<u>\$ 2,091,393</u>
Schools⁴					
Tangible Property ¹	\$ 2,284,050	\$ 2,339,331	\$ 2,407,296	\$ 2,541,053	\$ 2,769,407
Intangibles ²	0	0	0	0	0
Various Vehicle ³	168,878	165,974	171,719	168,180	169,338
<i>Subtotal-Schools</i>	<u>\$ 2,452,929</u>	<u>\$ 2,505,305</u>	<u>\$ 2,579,015</u>	<u>\$ 2,709,233</u>	<u>\$ 2,938,745</u>
Townships					
Tangible Property ¹	\$ 89,335	\$ 89,863	\$ 94,019	\$ 99,347	\$ 103,201
Intangibles ²	374	397	417	424	380
Various Vehicle ³	9,514	9,482	10,188	9,958	10,027
<i>Subtotal-Townships</i>	<u>\$ 99,223</u>	<u>\$ 99,743</u>	<u>\$ 104,625</u>	<u>\$ 109,730</u>	<u>\$ 113,609</u>
Special Districts					
Tangible Property ¹	\$ 384,150	\$ 402,264	\$ 421,324	\$ 452,779	\$ 485,377
Various Vehicle ³	25,957	26,957	27,229	30,171	32,256
Sales and Use ⁵	57,087	61,360	72,539	76,433	88,463
<i>Subtotal-Special Districts</i>	<u>\$ 467,194</u>	<u>\$ 490,581</u>	<u>\$ 521,092</u>	<u>\$ 559,383</u>	<u>\$ 606,096</u>
TOTAL LOCAL TAXES	<u>\$ 6,981,875</u>	<u>\$ 7,173,152</u>	<u>\$ 7,578,478</u>	<u>\$ 8,032,458</u>	<u>\$ 8,566,921</u>
Exhibit:					
Tangible Property	\$ 5,235,588	\$ 5,358,223	\$ 5,531,905	\$ 5,875,321	\$ 6,349,390
Various Vehicle	454,331	450,129	474,495	461,926	471,316
Total	\$ 5,689,919	\$ 5,808,352	\$ 6,006,400	\$ 6,337,247	\$ 6,820,705
Exhibit:					
Local Sales and Use	\$ 1,216,420	\$ 1,312,995	\$ 1,498,760	\$ 1,612,230	\$ 1,658,206

1) Taxes levied for collection during the fiscal year. Includes certain payments in lieu of taxes.

2) Taxes collected on a calendar year basis.

3) Includes motor vehicle, recreational vehicle, 16M and 20M "tagged" vehicles, rental car excise taxes, and locally collected commercial vehicle fees.

4) School districts, community colleges, and municipal universities.

5) Collections for municipal universities and special economic development districts.

Table 6

PERCENTAGE OF COMBINED STATE AND LOCAL TAX REVENUE
Ranked on the Basis of FY 2024

	FY 2024	FY 2023	FY 2022	FY 2020	FY 2010	FY 1990	FY 1970	FY 1950	FY 1930
General Property ¹	30.94 %	29.06 %	28.63 %	33.18 %	34.69 %	32.34 %	53.06 %	52.19 %	82.02 %
Sales and Use	28.86	29.20	29.53	29.03	25.55	22.55	15.74	15.76	-
Income and Privilege	28.85	29.83	29.36	23.77	23.43	21.87	10.57	4.95	-
Insurance Premiums	2.48	2.46	2.39	2.64	1.20	1.44	1.22	1.22	1.05
Various Vehicle ²	2.30	2.29	2.46	2.88	2.94	5.66	-	-	-
Motor Fuels	2.21	2.28	2.39	2.85	3.69	4.61	8.81	11.00	8.18
Vehicle Registration	1.27	1.29	1.34	1.53	1.78	2.02	3.50	4.35	5.69
Unemployment Comp.	1.11	1.42	1.71	1.70	2.65	3.49	1.77	2.51	-
Liquor and Beer	0.82	0.82	0.83	0.91	0.97	1.03	1.08	2.24	-
Cigarette and Tobacco	0.51	0.55	0.63	0.80	0.92	1.15	2.20	2.08	0.63
Transient Guest	0.31	0.29	0.25	0.31	0.25	0.15	-	-	-
Severance	0.21	0.35	0.33	0.22	0.81	1.71	-	-	-
Motor Carrier Property ³	0.06	0.06	0.07	0.08	0.22	0.20	0.15	0.03	-
Corporation Franchise	0.04	0.04	0.04	0.04	0.36	0.19	0.09	0.17	0.34
Intangibles	0.01	0.01	0.01	0.01	0.03	0.23	0.64	1.09	0.72
Mortgage Registration	0.00	0.00	0.01	0.01	0.36	0.25	0.20	0.39	0.30
Estate/Inheritance	0.00	0.00	0.00	0.00	0.07	0.89	0.82	0.48	0.67
All Other	0.03	0.03	0.03	0.04	0.07	0.22	0.15	-	-
TOTAL	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

1) Taxes levied for collection during the fiscal year.

2) Includes motor vehicle, recreational vehicle, 16M and 20M "tagged" vehicles, rental car excise taxes, and locally collected commercial vehicle fees.

3) For all years following 2014, includes state-collected commercial vehicle fees and any residual motor carrier property tax.

