

Kansas Tax Facts

2025 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 2025 and tax receipts for state fiscal year 2025 and tax year 2024 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 Office of Accounts and Reports of the Department of Administration for their assistance in providing basic data for Tax Facts.

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TAX HIGHLIGHTS FROM 2025

Receipt Highlights

In 2025, state and local total tax receipts increased by \$316.3 million, or 1.5 percent, from 2024 receipts. State tax receipts decreased by \$6.8 million, or 0.1 percent, and local tax receipts increased by \$323.0 million, or 3.8 percent.

The decline in state tax receipts was attributable to declines in corporation income taxes, retail sales tax, and unemployment insurance tax. 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 extended because of the high level of solvency of the Employment Security Fund.

These declines were offset by increases in individual income tax receipts, compensating use tax receipts, and insurance premiums tax receipts.

The increase in local government tax receipts was largely driven by higher property tax revenues, which accounted for 74.7 percent of the increase. Local sales and use taxes contributed an additional 22.6 percent of the increase. Schools, cities, counties, townships, and special districts all contributed to increased property tax revenues. School districts saw their tax revenues grow at a greater rate than those of local governments overall, while county tax revenues grew at a lower rate.

Policy Highlights

In 2025, the Legislature eliminated state property tax levies, created a formula for future income tax rate reductions, and enacted various other tax policies.

The Legislature repealed the State's two building fund mill levies, which had been levied at a rate of 1.0 mills for the Educational Building Fund and 0.5 mills for the State Institutions Building Fund. These levies had been in place since 1942 and 1953, respectively. In lieu of property tax proceeds, the Legislature created annual transfers from the State General Fund (SGF) to the building funds.

The Legislature enacted a formula to provide income tax rate reductions at an indeterminate time in the future. The formula compares the most recent fiscal year's SGF income tax receipts with the inflation-adjusted FY 2024 amount. Any amount in excess of the inflation-adjusted FY 2024 amount will result in a reduction to tax rates beginning the following tax year in an amount to approximately equal the amount in excess. Initially, individual income tax rates will be reduced to 4.0 percent. Corporation income and financial institutions privilege tax rates will be reduced after the individual rates reach 4.0 percent. Rate reductions will not occur in years when the Budget Stabilization Fund balance is not at least 15.0 percent of the SGF tax receipts from the previous fiscal year.

Additional tax policies enacted include the change of corporation income tax apportionment from a three-factor formula to a single-factor formula for corporations with income in multiple states, beginning January 1, 2027; the creation of a sales tax exemption for certain data center projects; a change in the definition of income for the "Tax Freeze" residential property tax relief program to expand participation in the program; the incremental discontinuation of the Affordable Housing Tax Credit Program; and an increase to the Historic Structures Tax Credit.

Combined State and Local Tax Revenue

Kansas state and local government net tax revenue totaled \$21.1 billion in FY 2025, which was an increase of 1.5 percent above the prior year and 57.7 percent above the amount one decade prior. General property taxes were once again the largest combined state and local revenue source in 2025 after returning to that position in 2024. Following are the tax levies, or collections, combining state and local revenue in descending order of magnitude for FY 2025.

Table 1
Kansas State and Local Tax Revenue by Tax Type

(In Thousands)

	FY 2022	FY 2023	FY 2024	FY 2025	Percent of FY 2025 Total	Percent Change from FY 2024
General Property ¹	\$ 5,593,277	\$ 5,942,372	\$ 6,422,236	\$ 6,667,074	31.63 %	3.81 %
Income and Privilege	5,736,582	6,100,758	5,989,396	6,058,280	28.74	1.15
Sales and Use ²	5,768,231	5,971,242	5,990,456	6,011,008	28.52	0.34
Insurance Premiums	466,396	503,133	514,186	556,790	2.64	8.29
Various Vehicle ^{1,3}	480,670	467,949	477,762	483,386	2.29	1.18
Motor Fuels	466,378	465,687	458,281	462,671	2.20	0.96
Vehicle Registration	261,205	264,117	263,359	268,891	1.28	2.10
Liquor and Beer	162,465	168,659	171,030	169,525	0.80	(0.88)
Unemployment Comp.	333,118	291,293	231,222	165,836	0.79	(28.28)
Cigarette and Tobacco	122,927	112,685	104,897	96,261	0.46	(8.23)
Transient Guest	48,346	58,779	63,579	65,288	0.31	2.69
Severance	65,296	72,078	43,372	38,570	0.18	(11.07)
Motor Carrier Property ⁴	13,607	12,631	12,533	12,508	0.06	(0.20)
Corporation Franchise	8,456	9,191	8,224	11,052	0.05	34.40
Intangibles ¹	1,552	1,504	1,389	2,445	0.01	75.99
Mortgage Registration ⁵	1,079	812	846	808	0.00	(4.42)
All Other ⁶	6,560	6,894	7,037	6,918	0.03	(1.70)
TOTAL	\$ 19,536,145	\$ 20,449,783	\$ 20,759,803	\$ 21,077,311	100.00 %	1.53 %

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 2025 was the clean water drinking tax at \$3.1 million.

State receipts declined by \$6.8 million, or 0.1 percent, to \$12.2 billion in 2025. This decline was largely attributable to continued implementation of the phase-out of the state sales and use tax on food and food ingredients. Additionally, improved solvency of the State's Employment Security Fund resulted in rate credits for employers in 2025, reducing collections despite growth in payrolls.

Local government tax receipts grew by \$323.0 million, or 3.8 percent, to \$8.9 billion in 2025. Property taxes were the largest contributor to growth of local government taxes.

State receipts made up 57.8 percent of combined receipts, and local government receipts made up 42.2 percent of combined receipts.

Table 2
State and Local Tax Revenue

Fiscal Year	State	Percent Change		Local	Percent Change		State and Local	Percent Change	
		Year	Change		Year	Change		Year	Change
2015	\$ 7,530,903	1.65	%	\$ 5,834,460	2.02	%	\$ 13,365,364	1.81	%
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		13,815,538	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		16,135,837	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		18,108,148	13.53	
2022	11,957,667	9.35		7,578,478	5.65		19,536,145	7.89	
2023	12,417,326	3.84		8,032,457	5.99		20,449,783	4.68	
2024	12,192,883	(1.81)		8,566,920	6.65		20,759,803	1.52	
2025	12,187,388	(0.05)		8,889,922	3.77		21,077,311	1.53	

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 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 2021–FY 2025
(In Thousands)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Property					
Educational Bldg. ¹	\$ 39,417	\$ 40,928	\$ 44,701	\$ 48,564	\$ 51,037
Institutional Bldg. ¹	19,708	20,464	22,350	24,282	25,518
State General	20	(20)	0	0	0
Mortgage Regis. ²	1,113	1,079	812	846	808
Motor Carrier ³	14,159	13,607	12,631	12,533	12,508
Various Vehicle ⁴	5,850	6,175	6,022	6,446	6,343
Total	\$ 80,268	\$ 82,232	\$ 86,516	\$ 92,671	\$ 96,214
Income and Privilege					
Individual	\$ 4,617,143	\$ 4,868,320	\$ 4,539,239	\$ 4,523,616	\$ 4,695,736
Corporation	652,286	806,035	1,504,575	1,419,201	1,313,558
Financial Institutions	75,149	62,227	56,944	46,580	48,986
Total	\$ 5,344,578	\$ 5,736,582	\$ 6,100,758	\$ 5,989,396	\$ 6,058,280
Sales, Use, and Excise					
Retail Sales	\$ 3,046,626	\$ 3,341,847	\$ 3,391,263	\$ 3,292,109	\$ 3,191,983
Compensating Use	720,808	927,624	967,750	1,040,140	1,088,011
Motor Fuels	445,472	466,378	465,687	458,281	462,671
Vehicle Registration	232,743	236,736	240,211	239,031	243,949
Cereal Malt Beverage	108	90	81	90	92
Liquor Gallonage	26,000	25,855	25,675	26,100	25,310
Liquor Enforcement	81,342	82,988	83,675	83,715	82,831
Liquor Drink	35,423	53,532	59,228	61,124	61,291
Cigarette	113,491	109,406	98,453	90,094	82,238
Tobacco Products	9,919	10,179	10,358	10,509	10,291
Electronic Cigarette	2,567	3,342	3,873	4,294	3,733
Corporation Franchise	9,859	8,456	9,191	8,224	11,052
Boat Registration	1,319	1,155	1,197	1,173	1,127
Severance	27,330	65,296	72,078	43,372	38,570
New Tires	753	805	829	974	893
Drycleaning	379	604	561	707	654
Clean Water	2,933	2,971	3,290	3,110	3,066
Total	\$ 4,757,071	\$ 5,337,265	\$ 5,433,402	\$ 5,363,047	\$ 5,307,761
Gross Receipts					
Insurance Premiums ⁵					
Foreign Cos.	\$ 143,139	\$ 159,366	\$ 179,686	\$ 185,686	\$ 191,656
Domestic Cos.	282,823	281,077	293,480	295,568	329,273
Firefighter Relief	15,104	16,123	17,743	19,855	21,707
Fire Marshal	9,676	9,830	12,225	13,078	14,153
<i>Subtotal</i>	<i>\$ 450,742</i>	<i>\$ 466,396</i>	<i>\$ 503,133</i>	<i>\$ 514,186</i>	<i>\$ 556,790</i>
Private Car Cos.	\$ 312	\$ 349	\$ 344	\$ 314	\$ 332
Music-Dramatic Tax	39	38	78	33	74
Bingo/Raffle	260	296	298	313	314
Transient Guest	667	1,049	1,207	1,287	1,329
Illegal Drugs	512	325	271	393	437
Combative Arts	7	17	26	21	19
Total	\$ 452,538	\$ 468,470	\$ 505,357	\$ 516,546	\$ 559,297
Unemployment Comp.	\$ 300,541	\$ 333,118	\$ 291,293	\$ 231,222	\$ 165,836
TOTAL STATE TAXES	\$ 10,934,996	\$ 11,957,667	\$ 12,417,326	\$ 12,192,883	\$ 12,187,388

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 2025
(In Thousands)

	Amount	Percent of Total	Cumulative Percent	Taxes Credited to	
				SGF	Other Funds
Individual Income	\$ 4,695,736	38.53 %	38.53 %	\$ 4,675,736	\$ 20,000
Retail Sales	3,191,983	26.19	64.72	2,581,699	610,284
Corporation Income	1,313,558	10.78	75.50	1,313,558	0
Compensating Use	1,088,011	8.93	84.43	893,761	194,250
Insurance Premiums	556,790	4.57	88.99	217,237	339,553
Motor Fuels	462,671	3.80	92.79	0	462,671
Motor Vehicle Registration	243,949	2.00	94.79	0	243,949
Liquor and Beer	169,525	1.39	96.18	122,110	47,414
Unemployment Comp.	165,836	1.36	97.54	0	165,836
Cigarette and Tobacco	92,529	0.76	98.30	92,529	0
State Property ¹	76,555	0.63	98.93	0	76,555
Financial Inst. Privilege	48,986	0.40	99.33	48,986	0
Oil Severance	32,783	0.27	99.60	23,003	9,780
Motor Carrier Property	12,764	0.10	99.71	11,761	1,003
Corporation Franchise	11,052	0.09	99.80	11,052	0
State Motor Vehicle	5,804	0.05	99.85	0	5,804
Gas Severance	5,787	0.05	99.89	3,491	2,296
Electronic Cigarette	3,733	0.03	99.92	3,733	0
Clean Water	3,066	0.03	99.95	0	3,066
State Transient Guest	1,329	0.01	99.96	1,329	0
Boat Registration	1,127	0.01	99.97	0	1,127
New Tires	893	0.01	99.98	0	893
State Mortgage Reg.	808	0.01	99.98	0	808
Drycleaning	654	0.01	99.99	0	654
Illegal Drugs	437	0.00	99.99	110	328
Private Car Company	332	0.00	99.99	0	332
Bingo/Raffle	314	0.00	100.00	0	314
State Tagged Vehicle	125	0.00	100.00	0	125
Vehicle Rental Excise	85	0.00	100.00	0	85
State Recreational Vehicle	73	0.00	100.00	0	73
Music, Dramatic	74	0.00	100.00	74	0
Combative Arts	19	0.00	100.00	0	19
Total	\$ 12,187,387	100.00 %		\$ 10,000,167	\$ 2,187,220
				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 2021–FY 2025
(In Thousands)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Counties					
Tangible Property ¹	\$ 1,539,714	\$ 1,590,801	\$ 1,690,684	\$ 1,787,504	\$ 1,838,970
Intangibles ²	740	730	729	687	1,310
Mortgage Registration	0	0	0	0	0
Motor Vehicle Registration ²	23,196	24,470	23,906	24,328	24,943
Transient Guest	1,893	3,311	4,030	4,360	4,221
Various Vehicle ³	145,511	157,534	148,696	151,928	153,209
Sales and Use	678,367	781,699	834,198	848,271	876,062
<i>Subtotal-Counties</i>	<i>\$ 2,389,421</i>	<i>\$ 2,558,545</i>	<i>\$ 2,702,242</i>	<i>\$ 2,817,077</i>	<i>\$ 2,898,716</i>
Cities					
Tangible Property ¹	\$ 987,051	\$ 1,018,465	\$ 1,091,457	\$ 1,203,901	\$ 1,252,337
Intangibles ²	426	405	351	322	623
Transient Guest	25,152	43,986	53,541	57,931	59,738
Various Vehicle ³	102,204	107,824	104,921	107,766	109,853
Sales and Use	573,269	644,522	701,598	721,472	763,613
<i>Subtotal-Cities</i>	<i>\$ 1,688,102</i>	<i>\$ 1,815,202</i>	<i>\$ 1,951,869</i>	<i>\$ 2,091,393</i>	<i>\$ 2,186,164</i>
Schools⁴					
Tangible Property ¹	\$ 2,339,331	\$ 2,407,296	\$ 2,541,053	\$ 2,769,407	\$ 2,885,909
Intangibles ²	0	0	0	0	0
Various Vehicle ³	165,974	171,719	168,180	169,338	170,409
<i>Subtotal-Schools</i>	<i>\$ 2,505,305</i>	<i>\$ 2,579,015</i>	<i>\$ 2,709,233</i>	<i>\$ 2,938,745</i>	<i>\$ 3,056,319</i>
Townships					
Tangible Property ¹	\$ 89,863	\$ 94,019	\$ 99,347	\$ 103,201	\$ 107,884
Intangibles ²	397	417	424	380	512
Various Vehicle ³	9,482	10,188	9,958	10,027	10,160
<i>Subtotal-Townships</i>	<i>\$ 99,743</i>	<i>\$ 104,625</i>	<i>\$ 109,730</i>	<i>\$ 113,609</i>	<i>\$ 118,555</i>
Special Districts					
Tangible Property ¹	\$ 402,264	\$ 421,324	\$ 452,779	\$ 485,377	\$ 505,418
Various Vehicle ³	26,957	27,229	30,171	32,256	33,412
Sales and Use ⁵	61,360	72,539	76,433	88,463	91,339
<i>Subtotal-Special Districts</i>	<i>\$ 490,581</i>	<i>\$ 521,092</i>	<i>\$ 559,383</i>	<i>\$ 606,096</i>	<i>\$ 630,169</i>
TOTAL LOCAL TAXES	<u>\$ 7,173,152</u>	<u>\$ 7,578,478</u>	<u>\$ 8,032,457</u>	<u>\$ 8,566,920</u>	<u>\$ 8,889,922</u>

Exhibit:

Tangible Property	\$ 5,358,223	\$ 5,531,905	\$ 5,875,321	\$ 6,349,390	\$ 6,590,519
Various Vehicle	450,129	474,495	461,926	471,316	477,043
Total	\$ 5,808,352	\$ 6,006,400	\$ 6,337,247	\$ 6,820,705	\$ 7,067,562

Exhibit:

Local Sales and Use	\$ 1,312,995	\$ 1,498,760	\$ 1,612,230	\$ 1,658,206	\$ 1,731,014
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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 2025								
	FY 2025	FY 2024	FY 2023	FY 2020	FY 2010	FY 1990	FY 1970	FY 1950	FY 1930
General Property ¹	31.63 %	30.94 %	29.06 %	33.18 %	34.69 %	32.34 %	53.06 %	52.19 %	82.02 %
Income and Privilege	28.74	28.85	29.83	23.77	23.43	21.87	10.57	4.95	-
Sales and Use	28.52	28.86	29.20	29.03	25.55	22.55	15.74	15.76	-
Insurance Premiums	2.64	2.48	2.46	2.64	1.20	1.44	1.22	1.22	1.05
Various Vehicle ²	2.29	2.30	2.29	2.88	2.94	5.66	-	-	-
Motor Fuels	2.20	2.21	2.28	2.85	3.69	4.61	8.81	11.00	8.18
Vehicle Registration	1.28	1.27	1.29	1.53	1.78	2.02	3.50	4.35	5.69
Liquor and Beer	0.80	0.82	0.82	0.91	0.97	1.03	1.08	2.24	-
Unemployment Comp.	0.79	1.11	1.42	1.70	2.65	3.49	1.77	2.51	-
Cigarette and Tobacco	0.46	0.51	0.55	0.80	0.92	1.15	2.20	2.08	0.63
Transient Guest	0.31	0.31	0.29	0.31	0.25	0.15	-	-	-
Severance	0.18	0.21	0.35	0.22	0.81	1.71	-	-	-
Motor Carrier Property ³	0.06	0.06	0.06	0.08	0.22	0.20	0.15	0.03	-
Corporation Franchise	0.05	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	-	-	-	0.01	0.36	0.25	0.20	0.39	0.30
Estate/Inheritance	-	-	-	-	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.