



KANSAS LEGISLATIVE UPDATE



Week Ending April 5th, 2024

The Legislature ended the 2024 regular session early Saturday morning, with the House being the last to adjourn around 3am. They will take a three week break before coming back for a short Veto session.

Taxes

After last week's tax debate, the Senate sent over a plan that was endorsed by Republican Leadership and the Governor on Thursday. The tax plan almost passed the Senate unanimously with a vote of 38-1. Even with those endorsements the plan was sent back to Tax committee by the House.

Highlights of the Senate Tax Plan:

- Retains the state's three-tiered tax bracket, but cuts the upper bracket from 5.7% to 5.5%
- Eliminates income taxes on Social Security
- Increases the standard deduction for single filers to \$5,000 and joint filers to \$10,000
- Eliminates the state sales tax on food to July 1, 2024

Once the House sent this back to committee many thought taxes were done until Veto session but late Friday afternoon there was a compromise made by Senate and House negotiators.

Highlights for the Compromise Tax Plan:

- Reduces the state's three rate structure to two by eliminating the bottom rate of 3.1%
- Cuts the top rate from 5.7% to 5.55%
- Cuts the second bracket from 5.25% to 5.15%
- Eliminates tax on Social Security on July 1st, 2024
- Eliminates the state sales tax on food July 1st, 2024
- Increases the residential exemption on the state's 20-mill property tax rate from \$42,000 to \$100,000

The Compromise tax plan passed the Senate 24-9 and the House 119-0. However, the Governor's office stated that this tax plan is above the threshold of where she is comfortable cutting taxes.

Conference Committee Reports

- SB 96 - Childcare Compromise - Expansion of child and dependent care tax credit to 50% refundability and creates the Office of Early Childhood
 - Passed the House 110 – 10, Not taken up by the Senate
 - **KC Chamber/KC Civic Council** will continue to advocate for this during Veto Session
- HB 2097 -Film/TV Tax Credit program which allows Kansas to compete with Oklahoma and Missouri for the economic development opportunities in the film and tv industry.
 - Has not passed either chamber
 - **KC Chamber/KC Civic Council** will continue to advocate for this during Veto Session
- HB 2097 -National Guard Tax Credit offers a tax credit to those who hire National Guard members and a tax credit to those who choose to serve
 - Has not passed either chamber

- **KC Chamber/KC Civic Council** will continue to advocate for this during Veto Session
- SB 172 -Foreign Advisory Land
 - Passed the House 84-36, Failed in the Senate 19-14
 - **KC Chamber/KC Civic Council** will continue to monitor this legislation through Veto Session

Key Upcoming Dates

April 29th – Veto Session Begins

Thanks!

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KC Chamber Kansas State Affairs Committee Meeting April 19th, 12-1:15 p.m.