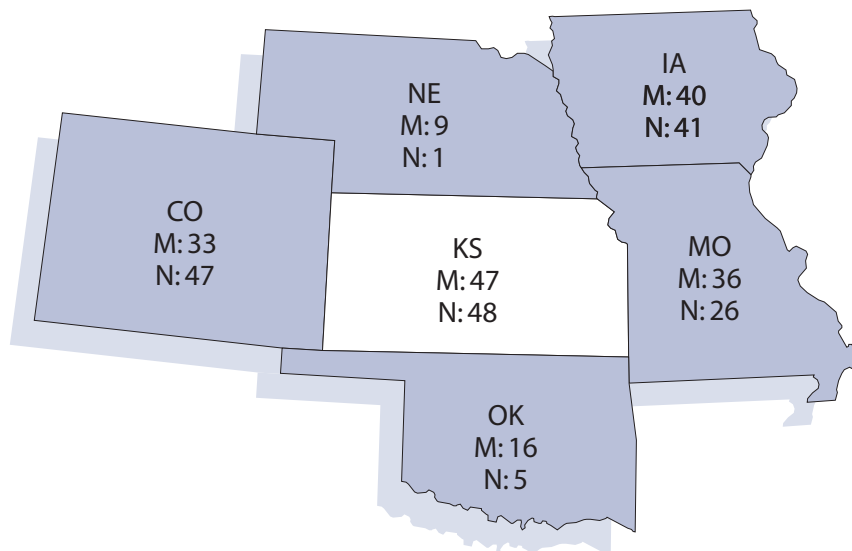


M = Rank for mature firms
N = Rank for new firms



Kansas ranks 47th overall for mature operations and 48th overall for newly established operations. Specifically:

- In Kansas, all 14 firm types have total tax costs above the national average.
- Kansas ranks 30th for the mature corporate office, which has a total effective tax rate (TETR) of 16.2 percent, just 3 percent larger than the national average. This firm has a fairly low income tax burden due to the state's apportionment formula; however, it faces an above-average sales tax burden and one of the highest property tax burdens in the nation.
- The state ranks 50th for the new distribution center, which has a TETR of 65.4 percent, more than 80 percent above the national average. While this operation has one of the lowest income tax burdens of its type nationally, it faces the highest property tax burden and fourth-highest sales tax burden.
- For mature operations, Kansas ranks 47th for both labor- and capital-intensive manufacturing and ranks 46th for the mature R&D center. Once again, these operations have one of the highest property tax burdens in the nation along with a top-10 sales tax burden. Although the firm's 7.0 percent corporate income tax rate is not unusually high, its throwback rule gives these operations an above-average income tax burden.
- Kansas offers among the most generous property tax abatements and investment tax credits across most firm types, yet these incentives seem to have little impact on the state's rankings for new operations.

Kansas

Corporate income tax

Main tax rate	7.000%
Applies to income over	\$50,000
Specific adjustments:	
- s.199 deduction allowed	

Apportionment	Property	Payroll	Sales
Standard factors	33.3%	33.3%	33.3%
Optional alternative	n/a	n/a	n/a
Throwback applies to tangible property sales			Yes
Interstate services income apportionment			IPA

Sales and property tax

Metro areas examined		Sales tax	Property tax			
		Main rate ^a	Land	Buildings	Equipment	Inventory
Tier 1	Wichita	7.300%	3.009%	3.009%	3.009%	-
Tier 2	Topeka	8.950%	3.242%	3.242%	3.242%	-
a. Manufacturing machinery is exempt from sales tax						

Other taxes

Unemployment insurance		State capital tax		Gross receipts tax			Local income tax
Rate	Max. pay			Mfg.	Services	Retail	
4.00%	\$8,000	n/a	Tier 1	n/a	n/a	n/a	n/a
			Tier 2	n/a	n/a	n/a	n/a

Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	10% of eligible capital investment over \$50,000	✓	✓	✓	✓	✓	✓	
Job creation	\$1,500 per new job x 1 year	✓	✓	✓	✓	✓	✓	
Withholdings	n/a							
R&D	6.5% of in-state incremental R&D expenses						✓	
Property tax	60% abatement x 10 years	✓	✓					

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	13.6%	12.5%	38.9%	65.4%	20.2%	25.4%	42.7%		20.3%	16.4%	26.4%	44.1%	16.2%	18.7%	19.6%			
Index	119.0	107.1	156.2	180.7	124.7	172.6	131.2	141.6	160.2	140.5	125.7	143.9	103.1	145.3	115.7	133.5		
Rank	37	33	47	50	42	49	45	48	47	47	43	43	30	46	38	47		

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