

SALES TAX EROSION IN KANSAS

By
Dr. John D. Wong, Principal Investigator
and Professor of Public Administration

with the assistance of
Nickolaus Hernandez, Graduate Assistant

Report Prepared for the
Kansas Department of Revenue
in cooperation with the
Kansas Advisory Council on Intergovernmental Relations

Kansas Public Finance Center
Hugo Wall School of Urban and Public Affairs
Wichita State University

December 2006

Foreword

Numerous threats to the financing of state and local governments are looming on the horizon throughout the nation. The sales tax represents the largest single revenue source for state and local government in Kansas; however, the tax is vulnerable to forces at play nationally, as well as at the state level. A growing economy and four rate increases in the sales tax over the last thirty years have been required to offset state actions that have substantially narrowed the sales tax base in Kansas.

A study of trends in erosion of the Kansas sales tax base was proposed to Secretary of Revenue Joan Wagnon in her roles as head of the Kansas Department of Revenue and chair of the Kansas Advisory Council on Intergovernmental Relations last summer. In consultation with the Kansas Advisory Council, Secretary Wagnon initiated this study, as one of three undertaken by faculty in the Hugo Wall School of Urban and Public Affairs, Wichita State University, under the auspices of the Kansas Public Finance Center.

Dr. John D. Wong, Professor of Public Administration in the Hugo Wall School, was recruited to serve as principal investigator and primary author of this study on erosion of the sales tax base in Kansas. He was assisted by Graduate Assistant Nickolaus Hernandez, who entered data and created many of the appendices for all the reports in this study. Ms. Jo Turner oversaw final editing and publication of the report.

On behalf of the Hugo Wall School and the Kansas Public Finance Center, we wish to thank Secretary Wagnon for her support of research on local finance and tax policy in Kansas and for her work and interest in improving state-local relations in Kansas.

H. Edward Flentje, Director
Hugo Wall School of Urban and Public Affairs

W. Bartley Hildreth, Director
Kansas Public Finance Center

Executive Summary

Sales Tax Base Erosion in Kansas

Principal Findings

- Although the sales tax is generally perceived by many to be a broad-based tax on final consumption, in most states it is neither broad-based nor limited to final consumption.
 - Economic changes and policy decisions have coalesced to accelerate changes in the sales tax base in recent years.
 - The principal causes of erosion of the sales tax base include:
 - Legislated statutory exemptions,
 - Attempts to tax services,
 - Cross-border shopping, and
 - Technological change.
- One important reason for the erosion of the Kansas sales and use tax base is the passage of a large number of statutory exclusions and exemptions to the tax.
 - Since 1937 there have been 71 original exemptions and exclusions from the sales and use tax, 53 expansions in exemptions or exclusions, 20 restrictions in exemptions and exclusions, and 62 other changes in the sales and use tax statutes, for a total of 206 legislative enactment or changes in the Kansas sales and use tax statutes.
 - In 1938 the total value of exclusions and exemptions from the sales and use tax base was \$121.4 million of sales.
 - By 2005 this had mushroomed to \$68,633.8 million of sales.
 - The value of the exclusions and exemptions is actually nearly twice the size of the actual sales and use tax base in 2005 of \$35,706.0 million.
 - In 1938 the total value of exclusions and exemptions was \$2.4 million.
 - By 2005 this had mushroomed to \$3,637.6 million.
 - The value of the exclusions and exemptions is actually nearly twice the size of the actual sales and use tax collections in 2005 of \$1,892.4 million.
 - The largest increases in exemptions and exclusions in the sales and use tax base occurred during the early 1970s and the early 1990s.
- The most significant exclusion is for component parts and items consumed in the production process.
 - In 2005 this item alone accounted for \$43,787.0 million of sales that were not taxed.
 - The exclusion of component parts and items consumed in production alone amount to a sales and use tax loss of \$2,320.7 million.
 - The second largest exclusion is for government and nonprofit purchases.
 - This exclusion resulted in the loss of approximately \$299.9 million in state sales and use tax revenue in 2005.
- The statutory exemption of specifically enumerated services resulted in the loss of approximately \$258.0 million in state sales and use tax receipts in 2005.
 - One study estimated that extending the sales tax to all readily-taxable services would increase state sales tax revenues by approximately \$500 million or 29 percent.
 - Overall if all services broadly construed were included state sales tax revenue could be increased by as much as \$1,944.6 million.

- This value is actually higher than 2005 sales and use tax receipts which were \$1,892.4 million.
- Almost as significant the exclusion of agricultural and land use related transactions resulted in the loss of approximately \$251.7 million in sales and use tax revenue in 2005.
 - Another significant exemption is the exemption of items otherwise subject to specific excise taxes.
 - In 2005 the total value of this exemption was \$202.6 million in sales and use taxes.
 - Finally the exemption of the transactions of benevolent organizations resulted in the loss of approximately \$181.7 million in sales and use taxes in 2005.

Policy Choices

- In addition to actual sales and use tax receipts of \$1,892.4 million in FY 2005, the State of Kansas could anticipate as much as:
 - \$3,637.6 million in additional revenue from the elimination of the identified exclusions and exemptions,
 - \$1,994.6 million in additional revenue from the comprehensive taxation of services, broadly defined, and
 - \$286.2 million in additional revenue from the taxation of remote sales.
 - All total, theoretical sales and use taxes for fiscal year 2005 could be as high as \$7,760.8 million, approximately 4.1 times present sales and use tax collections.
- The future of the sales tax is tied to addressing four problems (Fox, 1998):
 - Avoiding proliferation of sales taxes on business inputs,
 - Keeping household purchases of tangible personal property inside the tax base,
 - Bringing household purchases of services into the tax base, and
 - Getting Congress to help states enforce use taxes.
- Problems with legislative statutory exemptions
 - The cumulative fiscal impact of the exemptions is huge.
 - Tax exemptions that may benefit only a few shift the burden, either by taking money away from the vital services or by forcing others to pay higher taxes to compensate for revenue losses.
 - Exemptions are adopted piecemeal, often in response to specific industry requests, without being weighed against each other or against needs for public programs.
 - Once adopted, exemptions are rarely evaluated or repealed, even though economic pressures and needs change dramatically over time.
 - Public revenues are growing more slowly than the demand for public services, since the tax system is based on the economy of the 1930s, rather than on the economy of the twenty-first century.
- The Hodge Committee (1970: 10) recommended that the retail sales tax should remain focused on consumption rather than on production. This is consistent with contributing to the long-run economic development of the state by putting Kansas in a better position competitively in seeking to attract new industry.
 - The committee recommended that the component part rule be retained and refined.
 - The committee suggested that it would be more desirable to exempt “consumables” as a class than to continue the policy of selective exemption through listing specific items.

- However, the committee concluded that a general exemption for machinery and equipment used in production was not warranted.
- Arguments for inclusion of services in the sales tax base
 - The sales tax should be as broadly applicable to consumer expenditures as possible and therefore the tax should be imposed on services as well as tangible property because both satisfy personal needs and wants.
 - Taxation of services makes the sales tax less regressive because expenditures for services tend to increase as personal income rises.
 - Revenue from the sales tax is more responsive to rising levels of personal income and economic activity if services are taxable, because under such conditions expenditures for services increase relatively more than purchases of basic commodities.
 - Administration of the sales tax is simplified if the tax is applicable to services rendered in conjunction with sales of tangible personal property, i.e., it is not necessary to separate the amount charged for services from the amount charged for such property.
- The Hodge Committee (1970: 16) recommended that the sales tax should not be extended to include personal and professional services.
 - The committee concluded that if additional services were to be taxed, the most practical approach would be to start with services associated with the sale of tangible property and performed generally by firms already registered under the sales tax act.
 - One of the difficulties of taxing services is determining the situs of intangible services, their allocation, and the application of the *use* tax to such services.
- Without the use tax, purchases from out-of-state sources would be encouraged to the disadvantage of local suppliers.
- Thus, it would be difficult to apply the use tax to purchases of services.
- The Hodge Committee (1970: 12) recommended that the educational exemption should be retained because to remove it would merely mean an increase in property taxes. Further, the committee suggested that expenditures constituting a legitimate part of the school program should be exempt and that the same rules should apply to public and private non-profit schools at all levels of education.
- The Hodge Committee (1970: 12) recommended that that the exemption of purchases by hospitals operated by religious or other non-profit organizations should be continued. It was concluded that a general exemption of purchases by non-profit hospitals would be consistent with the granting of an exemption for purchases of prescription drugs and prescribed medical devices.
- The Hodge Committee (1970: 11) recommended that the exemption of purchases by religious, charitable, and benevolent organizations should be repealed.

“The Day the Sales Tax Died”¹

By Billy Hamilton
Deputy Comptroller, State of Texas

(Sung to the tune of “American Pie.” Apologies to Don McLean.)

A long, long time ago,
I can still remember
How the sales tax used to make me smile.
I can't remember if I cried
When I watched as the ACEC [Advisory Council on Electronic Commerce] fried,
But something touched me deep inside
The day the sales tax died.

And we were singin'
Bye, bye to the sales tax pie
Tied our budget to the levy
But the levy ran dry
And Budget Committee chairs
Were heaving dot.com sighs
The day the sales tax died.

¹ As originally cited by Bruce and Fox, 2000: 1389.

Sales Tax Base Erosion in Kansas

Introduction

Although the sales tax is generally perceived by many to be a broad-based tax on final consumption, in most states it is neither broad-based nor limited to final consumption. Economic changes and policy decisions have coalesced to accelerate changes in the sales tax base in recent years. The principal causes of erosion of the sales tax base include: (1) legislated statutory exemptions, (2) attempts to tax services, (3) cross-border shopping, and (4) technological change.

This study examines the erosion of the sales and use tax base in Kansas. The study begins with an overview of factors that have contributed to the erosion of sales tax revenues in Kansas and nationally. One important reason for the erosion of the Kansas sales and use tax base is the passage of a large number of statutory exclusions and exemptions to the tax. Since 1937 there have been 71 original exemptions and exclusions from the sales and use tax, 53 expansions in exemptions or exclusions, 20 restrictions in exemptions and exclusions, and 62 other changes in the sales and use tax statutes, for a total of 206 legislative enactment or changes in the Kansas sales and use tax statutes. The study goes on to categorize and assess the fiscal impact of these statutory exclusions and exemptions. Finally, the study concludes with a discussion of policy choices regarding the future of the sales and use tax in Kansas.

History of the Sales Tax

The earliest evidence of sales tax can be traced back to 2000 B.C. in ancient Egypt where taxes were imposed on typical commodities such as cooking oil. Likewise, the Romans levied taxes on everyday commodities such as salt. In fact, the Romans were responsible for spreading sales taxation to the rest of Europe. As early as the year 1342, Spain imposed a national sales tax. In the United States, a precursor to the sales tax—a business license tax—was introduced in Pennsylvania in 1821 (Buehler, 1940).

The most recent incarnation of the retail sales tax in the U.S. developed in response to the precipitous decline in income and property tax revenue during the Great Depression. According to Jensen (1934: 7): “Barring a few license taxes, of minor fiscal importance, which were based upon the sales of the license, there were no sales taxes in the United States prior to 1921, when West Virginia adopted a ‘gross receipts’ tax.” Subsequently, Mississippi transformed its business occupation tax into a two percent retail sales tax in 1932 (Howe and Reeb, 1997: 115). Although the structure of the overall economy has changed significantly over the past 75 years, the general structure of the retail sales tax has not. Presently forty-five states levy retail sales taxes. Although none of the state taxes has the same structure in terms of legal definitions, exemptions, or exclusions:

[M]any sales taxes today continue the patterns of limited coverage of services and incomplete exclusion of purchases of business inputs that characterized the earliest taxes. It is immediately apparent that the economy for which the sales

taxes were initially designed bears little resemblance to the economy of today (Mikesell, 2005b: 129).

Breadth of the Sales Tax Base

Although the sales tax is generally perceived by many to be a broad-based tax on final consumption, in most states it is neither broad-based nor limited to final consumption. According to the Federation of Tax Administrators (*Sales Taxation of Services*, 1996) and Due and Mikesell (1994), many states have narrowed the base by granting a broad range of consumer exemptions including perceived necessities such as:

- Food purchased for off-premise consumption;
- Food purchased and consumed on farms;
- Food furnished to employees;
- Clothing;
- Personal care;
- Medical care;
- Prescription drugs and sundries;
- Ophthalmic products;
- Orthopedic appliances;
- Housing;
- Household utilities;
- Water and wastewater services;
- Transportation;
- Gasoline and oil;
- Religious, charitable, or welfare purchases and/or sales;
- Government, education, and research activities;
- Personal care; and
- Foreign travel.

Although most states also exempt many business-to-business (B2B) or “wholesale” transactions from general sales taxation, nationwide only 59 percent of sales tax revenue is attributable to taxed business-to-consumer (B2C) transactions. The remaining 41 percent of sales tax collections is attributable to B2B transactions (Scott and Derrick, 1998: 190).

Sales taxes may generally be categorized as one of five types:

1. A *retail sales tax* taxes all or substantially all retail sales, but not other types of sales or other kinds of gross receipts;
2. A *general sales tax* applies not only to retail sales but also to sales for resale, and also to the acts of extracting natural resources and manufacturing, but does not apply to professional and other gross incomes not derived from sales, even though it may not apply to all such sales;
3. A *gross receipts tax* applies not only to retail sales and sales for resale, but also to professional incomes such as the incomes of physicians, lawyers, and other persons rendering service;

4. A *gross income tax* or a *gross revenue tax* applies not only to receipts from all sales and services, but also to receipts from all or nearly all other sources; or
5. A *selective sales tax* is a tax upon and measured by the receipts from the sale of a particular article. Gasoline taxes, taxes on beer, amusements and tobacco, and severance taxes are the most common taxes of this type (Jensen, 1934: 1-4).

According to Fox (2003: 10):

The sales tax base, as with all taxes, should be structured to tax the intended target . . . the sales tax is normally viewed as a tax on consumption. Accordingly, the broadest sales tax base would include all household purchases, regardless of how they were paid for and where or how they were purchased. The base would exclude all business purchases. In practice, the base differs dramatically from this ideal. Attempts to increase fairness, stimulate economic development, encourage the purchase of certain items, conform with constitutional restrictions, and allow certain organizations to sell free from tax are among the reasons that the base differs from the conceptual target.

Meaning of Taxable Retail Sales

Most states apply one of two tests, or the two in combination, to determine the taxability of a sale. The first is based on the disposition which the buyer makes or expects to make of the property sold, that is, *whether the item is intended for consumption or use, and not for resale*. If the item is expected or intended to be consumed or used and not resold, the sale is usually considered taxable. The second is based on the characterization of the business of the seller. In that case, some general phrase such as *“regularly organized wholesale business, known to the trade as such,”* would have to be applicable in a description of the seller in order to exempt it from the retail sales tax (Jensen, 1934: 49).

However, attempting to characterize the seller tends to be both unscientific and impracticable. For many products the distinction between retail (B2C) and wholesale (B2B) transactions and parties is not a clear one. Many wholesalers sometimes sell at retail and some retailers may occasionally sell at wholesale. Furthermore for other products there may be few or no intermediaries between the initial producer and the final consumer (Jensen, 1934: 49). In addition, there may be considerable difficulty in characterizing a given sale. Three classes of sales may be distinguished.

- First, sales of property which is normally resold without change in form or character.
- Second, tangible personal property purchased and normally subject to processing or manufacture, appearing physically or chemically as a “component” or “ingredient” in a further processed or manufactured product.
- Third, personal property purchased for use in carrying on business, not appearing chemically or physically as ingredients or component parts of the finished product (Jensen, 1934: 53-54).

Sales classified as being for industrial consumption and not for resale are usually taxable. This is in contrast to the characterization of items which appear subsequently as ingredients or component parts of a finished product for resale which are usually not subject to taxation (Jensen, 1934: 55).

These two rules are based upon the theory that as long as an item is identifiable chemically or physically in a product subsequently resold the transactions is not taxable, but when an item is not so identifiable the transaction is taxable. In the first case there is no tax on the seller because there is a subsequent resale. In the second case the seller is subject to the tax because there is no subsequent resale. Unfortunately, this distinction is not well drawn, difficult to administer, and results in considerable “pyramiding” of the tax (Jensen, 1934: 55).

Kansas Retailers’ Sales Tax

According to Cram and Brunkan (2003), the Retailers’ Sales Tax Act, passed by the 1937 session of the Legislature, imposed a tax at the rate of two percent on the gross receipts from retail sales of tangible personal property or from the furnishing of taxable services, on and after June 1, 1937. The tax was imposed upon the privilege of:

- Selling tangible personal property within the state,
- Rendering certain utility services,
- Serving meals or drinks to the public, and
- Selling admissions to any place of amusement, entertainment, or recreation (*The Kansas Retail Sales Tax Fund*, 1938: 1).

As a companion act to the sales tax the legislature enacted the Compensating Tax, imposed “for the privilege of using within this state any article of tangible personal property” purchased outside the state. The rate was initially set at two percent of the purchase price which included by definition the actual cost of transportation from the place where the article was purchased to the place where it was used in Kansas. Because of the partial cents that the tax generated, tokens valued at two mills (0.2 cents) were provided as a means to pay and collect the tax as accurately as possible. Using tokens for payment of the sales tax was abolished in 1938 as they were considered a nuisance, and a tax rate chart was developed. Subsequently, the sales tax rate has changed several times since the initial enactment:

| <u>Effective Date</u> | <u>Percentage Rate</u> |
|-----------------------|------------------------|
| June 1, 1937 | 2.0 |
| June 1, 1958 | 2.5 |
| May 1, 1965 | 3.0 |
| July 1, 1986 | 4.0 |
| July 1, 1989 | 4.25 |
| June 1, 1992 | 4.9 |
| July 1, 2002 | 5.3 |

Exemptions were provided for purchases other than at retail, for articles not subject to the sales tax, and for articles upon which a sales tax equal to two percent or greater had been paid

(*The Kansas Retail Sales Tax Fund*, 1938: 1). Since 1937 numerous exclusions and exemptions have been added and some have been rescinded. Currently there are thirteen exclusions from tax, as detailed in K.S.A. 79-3603, and sixty exemptions as detailed in K.S.A 79-3606 including:

- Sales and purchases of electricity, coal, gas, fuel oil, or other petroleum products for use in processing, manufacturing, mining, drilling, refining, irrigation, building, and construction; as well as feed for animals for use in farming;
- Sales of personal property or services used in the business of producing, manufacturing, or compounding in which the service or commodity is actually used in the production, enters into the processing of, or becomes an ingredient or component part of an article;
- Interstate telephone or telegraph services;
- Admissions to state, county, district, and local fairs;
- Gross receipts from educational, religious, or charitable activities;
- Sales of motor vehicle fuel, cigarettes, and other articles which are subject to a sales or excise tax;
- Sales to State of Kansas and political subdivisions, except when engaged in business specifically taxable;
- Sales to the U.S. government; and
- Sales used in or for the performance of a contract for public works.

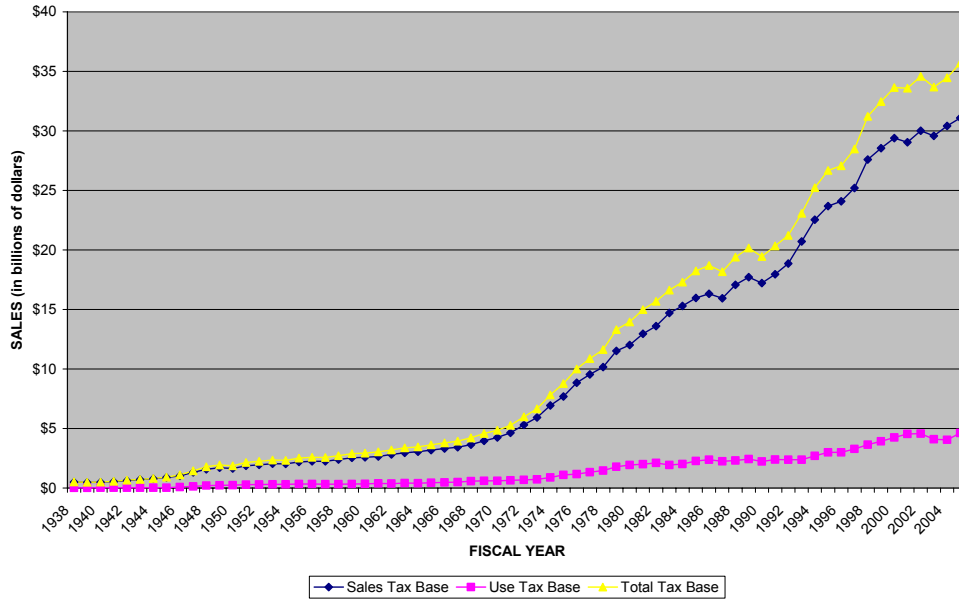
The most recent extensive review of the sales tax laws was done in 1970. At that time a Joint Committee on the State Tax Structure, chaired by Senator Frank S. Hodge, reviewed various aspects of Kansas taxes including sales tax. For the sales tax, the committee reviewed existing statutes, compared neighboring states' statutes, researched the feasibility of taxing professional and business services, and offered recommendations for consideration by the 1970 Legislature. There were significant revisions to the sales tax statute based on the committee's recommendations. Ironically, contrary to many of the committee's recommendations, many of the changes narrowed rather than expanded the sales tax base.

Ring (1989: 171) found that approximately 55 percent of the Kansas general sales tax was paid by consumers, while 45 percent was paid by businesses. In a subsequent analysis, Ring (1999: 81) found that approximately 67 percent of the Kansas general sales tax was paid by consumers, while 33 percent was paid by businesses. Based on Mikesell's (2005b) standards, Kansas' sales tax structure ranks as the ninth best in the United States.

In fiscal year 2005 the total value of the Kansas sales tax base was \$31.1 billion, while the total value of the use tax base was \$4.6 billion. The most significant expansion of the sales and use tax base occurred in the early 1970s. Much of this growth was fueled by the high rates of price inflation during this period. Figure 1 shows historical trends in the Kansas sales and use tax bases from 1938 through 2005.

Figure 1

SALES AND USE TAX BASE

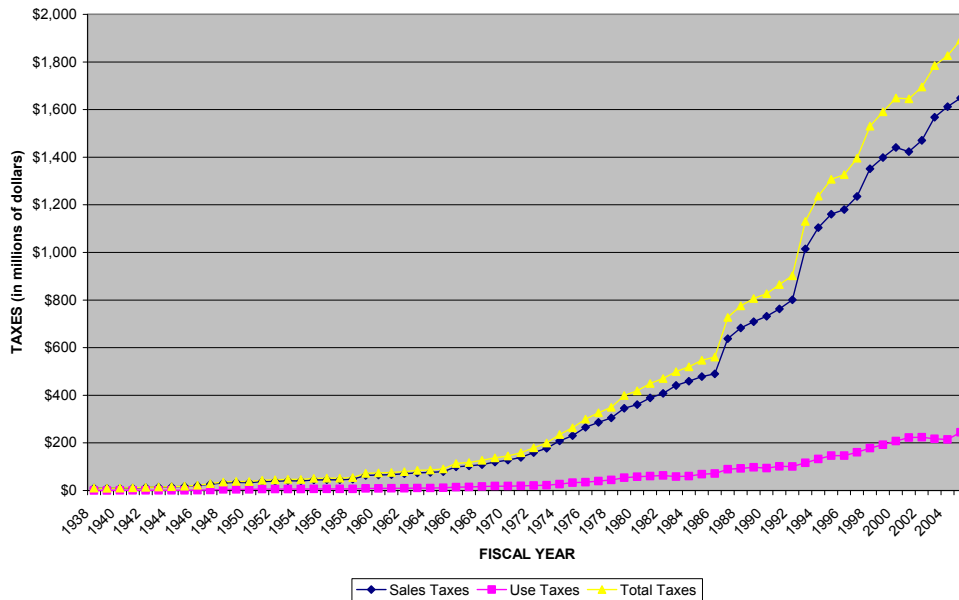


Source: Kansas Department of Revenue, Annual Reports and Comparative Statements of Taxes and Fees

In fiscal year 2005 the State of Kansas collected \$1,647.7 million in retail sales taxes and \$244.8 million in compensating use taxes. Figure 2 shows historical trends in Kansas sales and use taxes from 1938 through 2005. The “stair stepping” apparent in the figure is largely the result of tax rate changes.

Figure 2

SALES AND USE TAX RECEIPTS



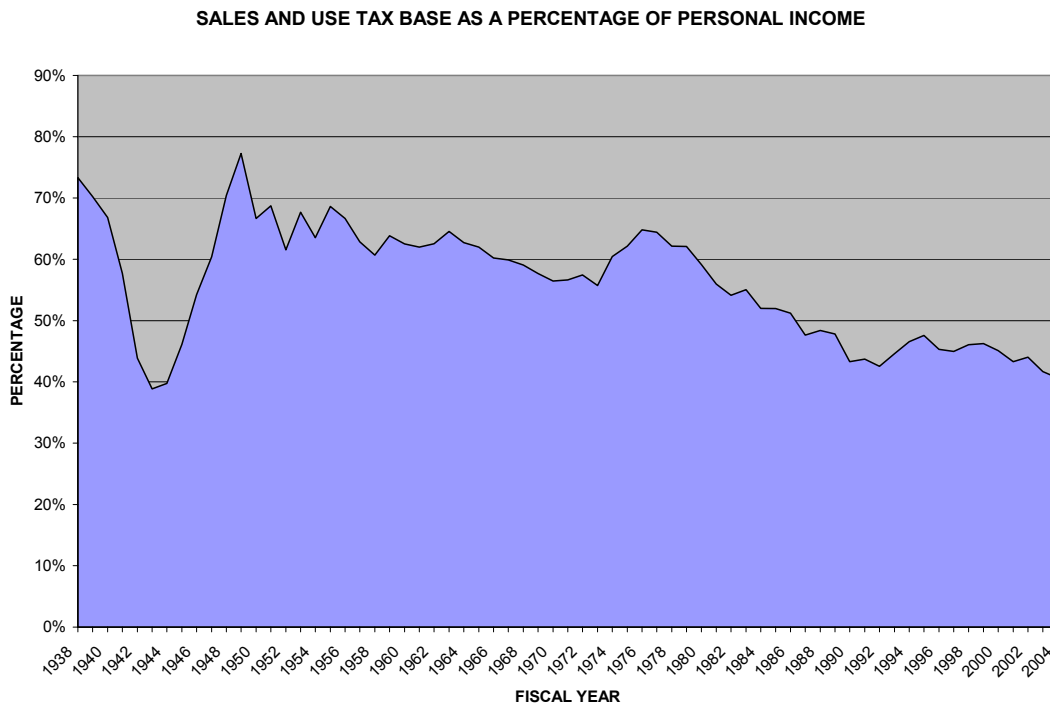
Source: Kansas Department of Revenue, Annual Reports and Comparative Statements of Taxes and Fees

Relationship Between Base and Rate

According to Fox (2003: 14): “A continued pattern of the sales tax base growing more slowly than the economy will put fiscal pressure on states to raise sales tax rates. Higher rates may be sought both to balance the revenue structure. . . and to offset the base decline and maintain sales tax revenues as a share of the economy. . . .” Merriman and Skidmore (1997) found evidence that part of the reason for the narrowing of the sales tax base is the increase in sales tax rates. They found that in some cases states may simultaneously consciously choose to narrow the tax base and increase the rate in order to replace the revenue lost by narrowing the tax base. However, increases in the sales tax rate increase the incentive to legally avoid or illegally evade the tax. As such consumers would be more prone to try to avoid or evade the sales tax in recent years because of increases in tax rates (Merriman and Skidmore, 1997).

Figure 3 shows the trend in the sales and use tax base as a percentage of personal income from 1938 through 2005. The figure indicates a general downward trend in the percentage of personal income that is captured by the sales and use tax base. In fiscal year 1938, 73.3 percent of personal income was included in the sales or use tax base. By fiscal year 2005 this percentage had fallen to 40.1 percent.

Figure 3



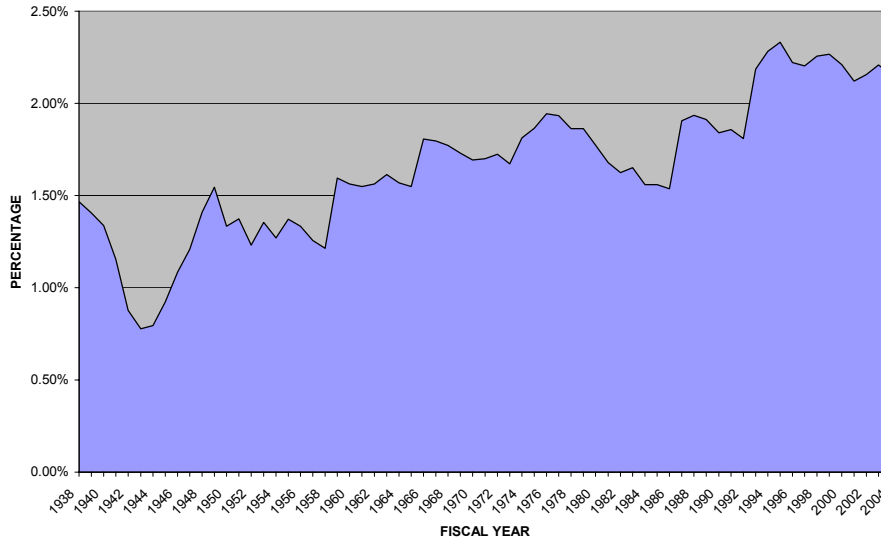
Source: Kansas Department of Revenue, Annual Reports & US Bureau of Economic Analysis, National Income and Product Accounts

While the percentage of personal income captured by the sales and use tax has decreased, the percentage of income devoted to paying sales and use taxes has actually increased over the same period. Figure 4 shows the trend in the sales and use taxes from 1938 through 2005. The figure illustrates the general upward trend in the percentage of personal income that is captured

by the sales and use tax. In fiscal year 1938, 1.5 percent of personal income was paid in sales or use taxes. This percentage had nearly doubled by fiscal year 2005 to 2.9 percent.

Figure 4

SALES AND USE TAXES AS A PERCENTAGE OF PERSONAL INCOME

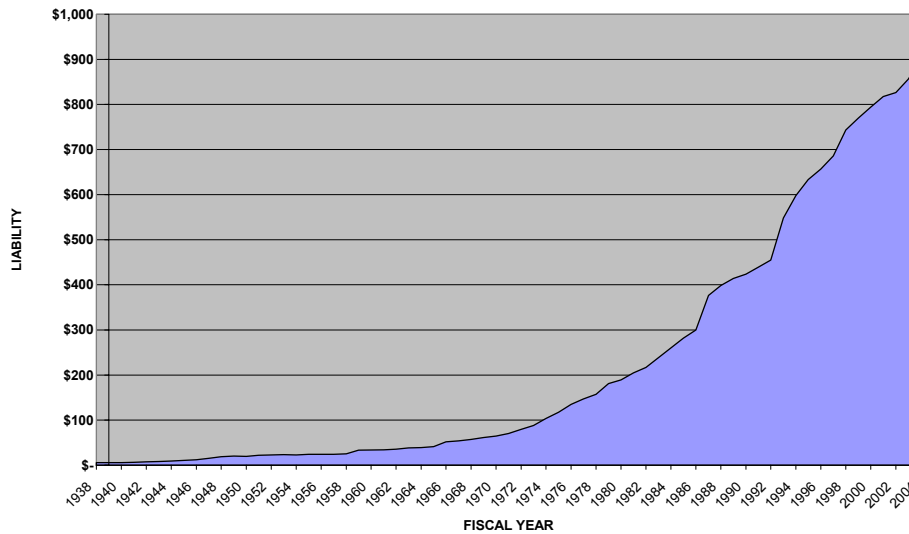


Source: Kansas Department of Revenue, Annual Reports & US Bureau of Economic Analysis, National Income and Product Accounts

Figure 5 presents the trend in per capita state sales and use taxes from 1938 through 2005. The figure shows a marked upward trend in per capita sales and use taxes. In fiscal year 1938 per capita sales and use taxes were \$6. By fiscal year 2005, the per capita sales and use tax liability was \$898. Much of this increase was driven by the high rates of price inflation during the 1970s and 1980s and by tax rate increases.

Figure 5

PER CAPITA STATE SALES AND USE TAX LIABILITY

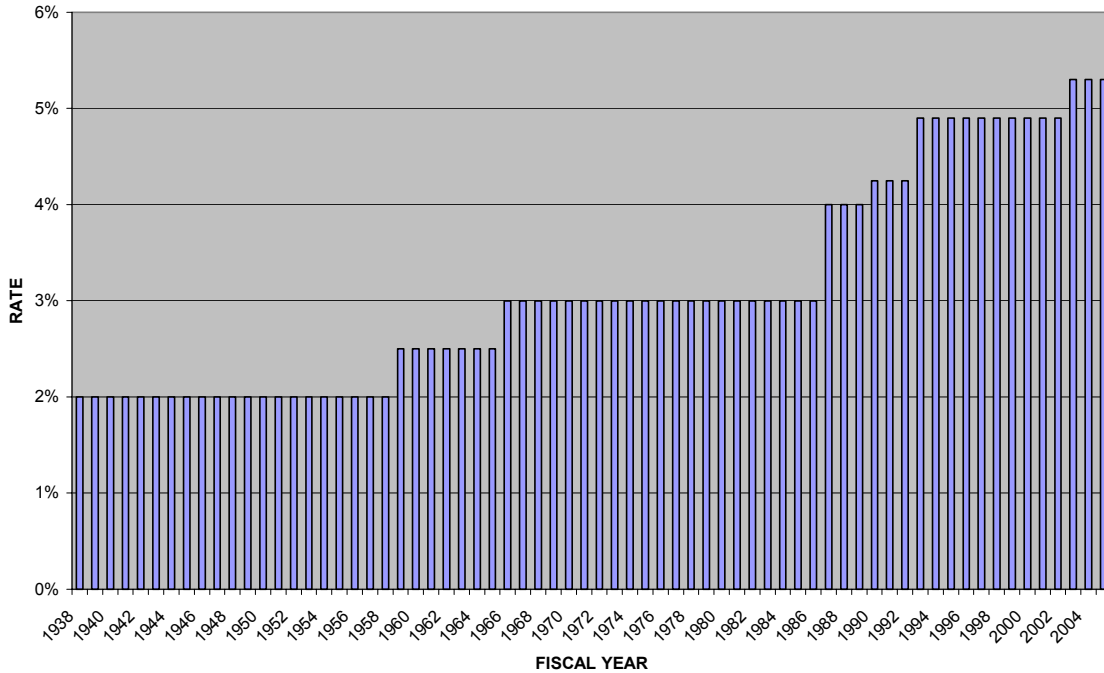


Source: Kansas Department of Revenue, Annual Reports & US Bureau of the Census, Current Population Reports

Figure 6 shows the history of the sales and use tax rate from 1938 through 2005.

Figure 6

TAX RATE



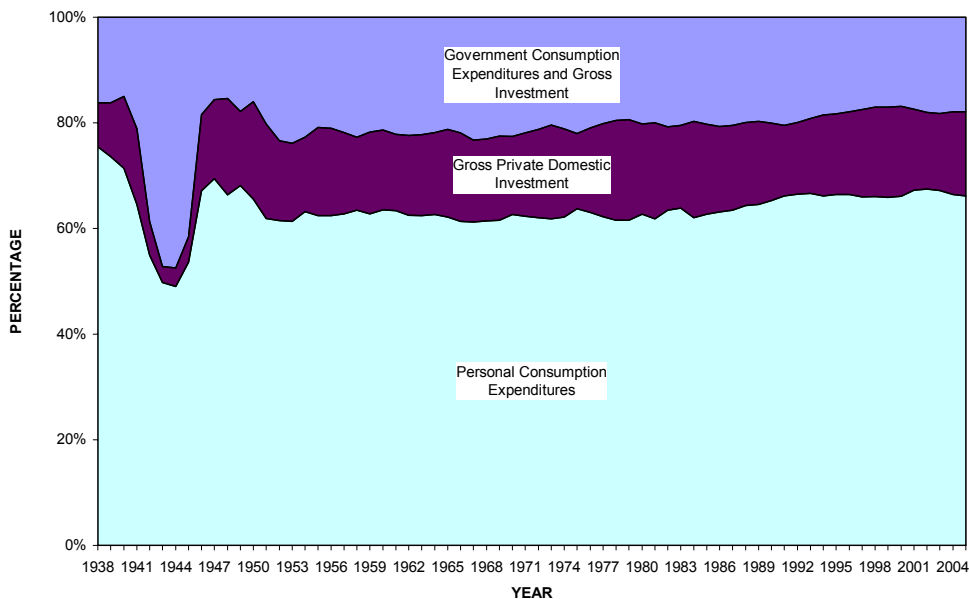
Source: Kansas Department of Legislative Research, Tax Facts

Structural Economic Changes

There have been significant structural changes in the U.S. economy since the inception of the sales tax during the 1930s. Figure 7 shows the composition of domestic consumption from 1938 through 2005. In 1938 personal consumption expenditures accounted for 74.7 percent of domestic expenditures. By 2005 this had decreased to 70.0 percent of the total. On the other hand, gross private domestic investment or business spending has increased from 8.2 percent of the total in 1938 to 16.9 percent in 2005. Government spending has also increased from 16.0 percent of the total in 1938 to 18.9 percent in 2005. This is significant because personal consumption is the largest proportion of the sales and use tax base with business and government purchases largely exempt from sales and use taxation.

Figure 7

COMPOSITION OF DOMESTIC CONSUMPTION AND INVESTMENT

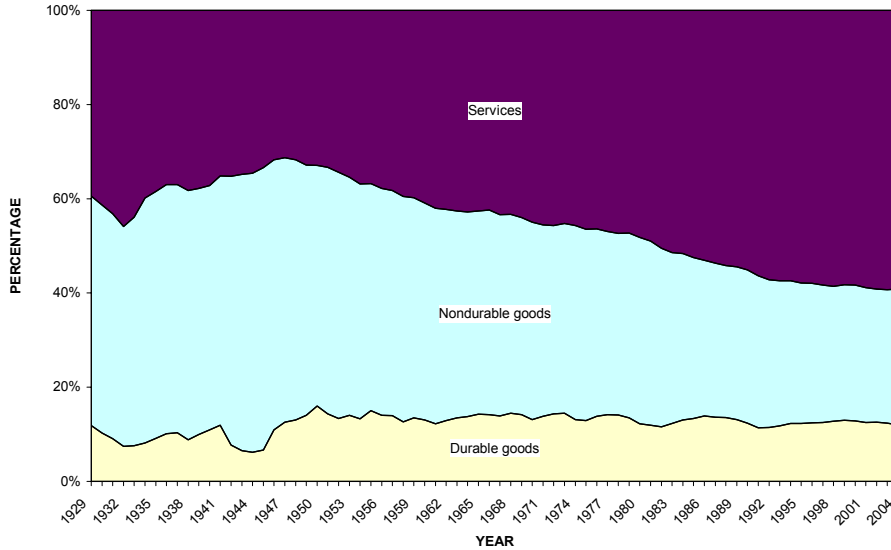


Source: US Bureau of Economic Analysis, National Income and Product Accounts

There have been also been significant changes in the composition of personal consumption expenditures since the 1930s. Figure 8 shows the composition of personal consumption expenditures from 1938 through 2005. In 1938 durable goods expenditures accounted for 11.9 percent of total consumption, while nondurable goods expenditures accounted for 48.7 percent. By 2005 while durable goods expenditures remained relatively steady at 12.0 percent, expenditures for nondurables had fallen to 28.8 percent of total expenditures. Over this same time, expenditures on services expanded significantly from 34.9 percent in 1938 to 59.1 percent in 2005. This is noteworthy because goods consumption is the largest proportion of the sales and use tax base, while services consumption is largely exempt from sales and use taxation.

Figure 8

COMPOSITION OF PERSONAL CONSUMPTION EXPENDITURES BY PRODUCT TYPE

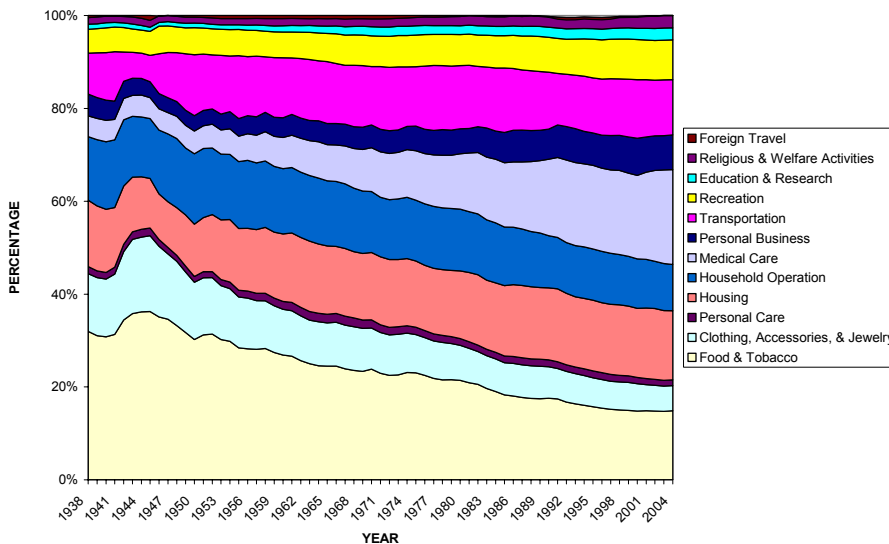


Source: US Bureau of Economic Analysis, National Income and Product Accounts

Figure 9 shows the composition of personal consumption expenditures by type from 1938 through 2004. In 1938 food and clothing expenditures accounted for 44.5 percent of the total. By 2004 food and clothing had fallen to 20.3 percent. Over this same time, medical care expenditures rose from 4.5 percent in 1938 to 20.4 percent in 2004. This is noteworthy because food and clothing expenditures are the largest proportion of the sales and use tax base in Kansas, while medical care expenditures are largely exempt.

Figure 9

COMPOSITION OF PERSONAL CONSUMPTION EXPENDITURES BY TYPE OF EXPENDITURE



Source: US Bureau of Economic Analysis, National Income and Product Accounts

Base Erosion

Economic changes and policy decisions have coalesced to accelerate changes in the sales tax base in recent years. According to Fox (2003), the principal causes of erosion of the sales tax base include:

- Legislated statutory exemptions;
- Attempts to tax services;
- Cross-border shopping; and
- Technological change.

Although sales tax collections have been rising in most states, the base may in fact be continuing to shrink. Boyd (2000: 17) concludes that this seeming contradiction is the result of the combination of states continuing to raise sales tax rates, while consumers have been saving far less and spending far more of their incomes. “While states continue to be heavily reliant on the sales tax for revenue, the traditional sales tax base has gradually eroded, requiring ever higher sales tax rates to maintain revenue yields” (Merriman and Skidmore, 1997). Russo and Wei (2004) found that the fraction of total expenditures spent on taxed commodities was only 39.8 percent in 2002.

According to Bruce and Fox (2000), the primary reasons for the long-term decline in the sales tax base are:

- Shifting consumption away from goods toward services, and within services, to medical services and other services that are especially difficult to tax politically, legally, and administratively;
- Remote sales, the general term for mail order sales, sales conducted over the Internet, and other sales where the buyer and seller conduct the transaction at a distance; and
- Narrowing of the tax base through new exemptions.

Russo (2005) contends that several factors that could further contribute to the acceleration of the erosion of the sales and use tax base include:

- The responsiveness of taxed spending to total spending is declining,
- Untaxed medical services spending will increase when the baby-boomers retire,
- The trend away from tax food-for-home-consumption is declining, and
- Purchases at remote vendors appear to be accelerating.

Related, Duncombe (1992: 309) attributes part of the erosion of the sales tax base to general demographic changes related to the aging of the baby-boom generation.

Bruce and Fox (2000) predict that long-term sales tax base erosion will continue due to the ongoing trend toward the consumption of goods and services that are not taxed or for which sales taxes are difficult to collect. Hence Wong, Michael, and Wilson (1990) argue that it is necessary for states to expand the retail sales tax base in order to:

- Stabilize a cyclical revenue source,
- Respond to the increased proportion of total consumption devoted to services, and
- To increase revenue.

However, expanding the sales tax base is also likely to cause the ultimate tax burden on lower income households to increase, creating a more regressive tax system. Thus, one of the most important challenges in sales tax policy will be expanding the base without dramatically decreasing the fairness of the system (Hamilton and Mikesell, 1992).

Legislative Statutory Exemptions and Exclusions

One important reason for the erosion of the Kansas sales and use tax base is the passage of a large number of statutory exclusions and exemptions to the tax. *Exclusions* generally consist of “specified classes of goods purchased for business rather than personal use” while *exemptions* consist of “consumption goods” (Due and Mikesell, 1983: 50). According to Watkins (2004: 5), there are several problems with legislative statutory exemptions generally:

- The cumulative fiscal impact of the exemptions is huge.
- Tax exemptions that may benefit only a few shift the burden, either by taking money away from the vital services or by forcing others to pay higher taxes to compensate for revenue losses.
- Exemptions are adopted piecemeal, often in response to specific industry requests, without being weighed against each other or against needs for public programs.
- Once adopted, exemptions are rarely evaluated or repealed, even though economic pressures and needs change dramatically over time.
- Public revenues are growing more slowly than the demand for public services, since the tax system is based on the economy of the 1930s, rather than on the economy of the twenty-first century.

Figure 10 shows the cumulative number of statutory sales and use tax changes since its inception in 1937. Since 1937, there have been a total of 206 legislative enactment or changes in the Kansas sales and use tax statutes which encompass:

- 71 original exemptions and exclusions from the sales and use tax — includes newly enacted exemptions and exclusions in the sales or use tax bases;
- 53 expansions in exemptions or exclusions — includes statutory changes in sales and use tax provisions that broadened existing exemptions and exclusions to exempt or exclude previously taxed items;
- 20 restrictions in exemptions and exclusions — includes statutory changes in sales and use tax provisions that narrowed existing exemptions and exclusions to tax items previously exempted or excluded; and
- 62 other changes in the sales and use tax statutes — includes administrative and other changes that would not necessarily expand or restrict the sales or use tax bases.²

² These numbers are based on a legislative history of the Kansas sales and use tax compiled by H. Edward Flentje, Nickolaus J. Hernandez, and Amanda L. Pankratz, of the Hugo Wall School of Urban and Public Affairs at Wichita State University.

Appendix A contains a chronology of statutory changes in the Kansas Retailers' Sales Tax (K.S.A. 76-3603) from 1937 to the present.

Figure 10

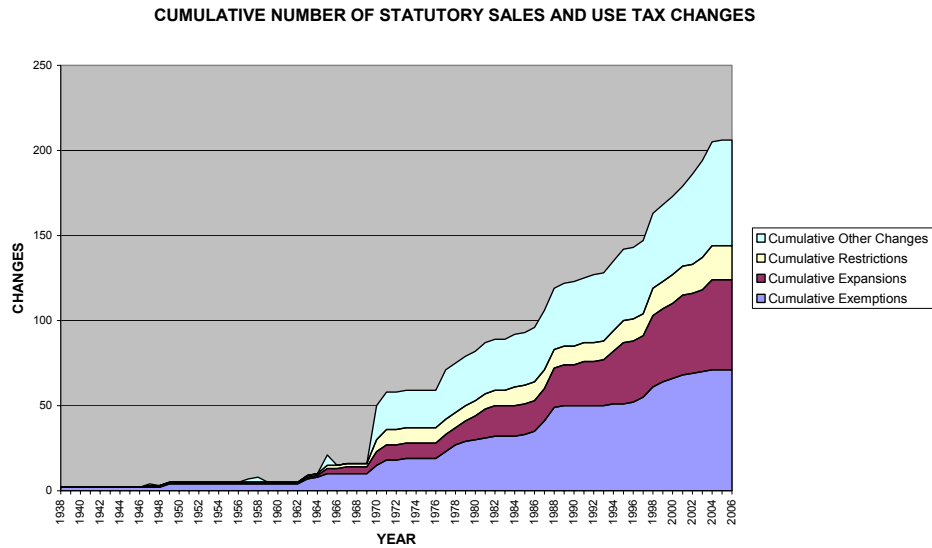


Figure 11 shows the total value of these sales and use tax base exemptions from 1938 to 2005. In 1938 the total value of exclusions and exemptions from the sales and use tax base was \$121.4 million of sales. By 2005 this had mushroomed to \$68,633.8 million of sales. The value of the exclusions and exemptions is actually nearly twice the size of the actual sales and use tax base in 2005 of \$35,706.0 million.

Figure 11

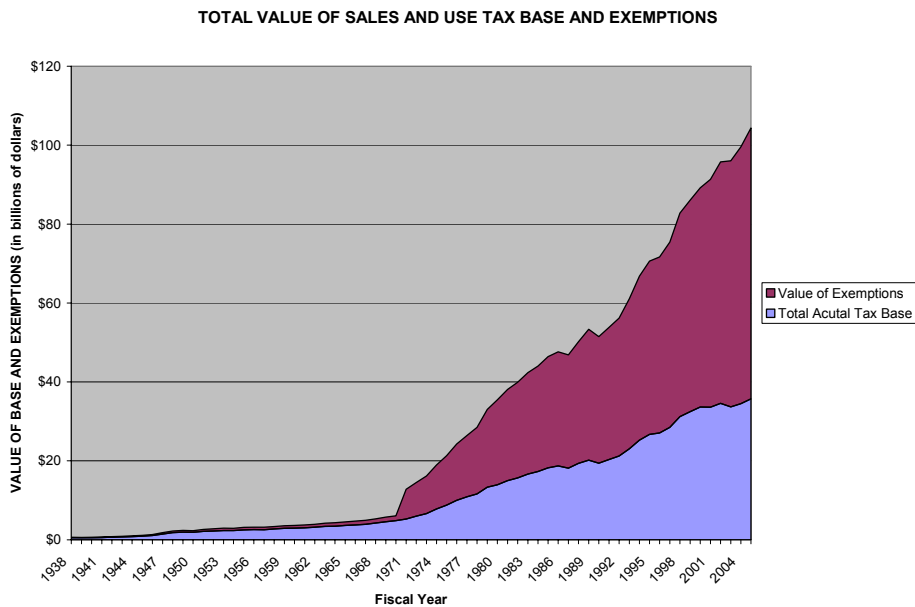


Figure 12 presents the same data adjusted for inflation. The figure indicates the largest increase in exclusions and expansions occurred during the early 1970s and early 1990s. Values in Figures 11 and 12 are based on data from Kansas Sales Tax Exclusions and Exemptions Reports compiled by Richard Cram and Steven Brunkan of the Office of Policy and Research of the Kansas Department of Revenue. The historic value of the exemptions and exclusions were imputed to back years based on the value of the exemption/exclusion as a proportion of actual taxes as reported in the *Kansas Sales Tax Exclusions and Exemptions Reports*. Appendix B shows the value of imputed sales and use tax exemptions from 1938 through 2005.

Figure 12

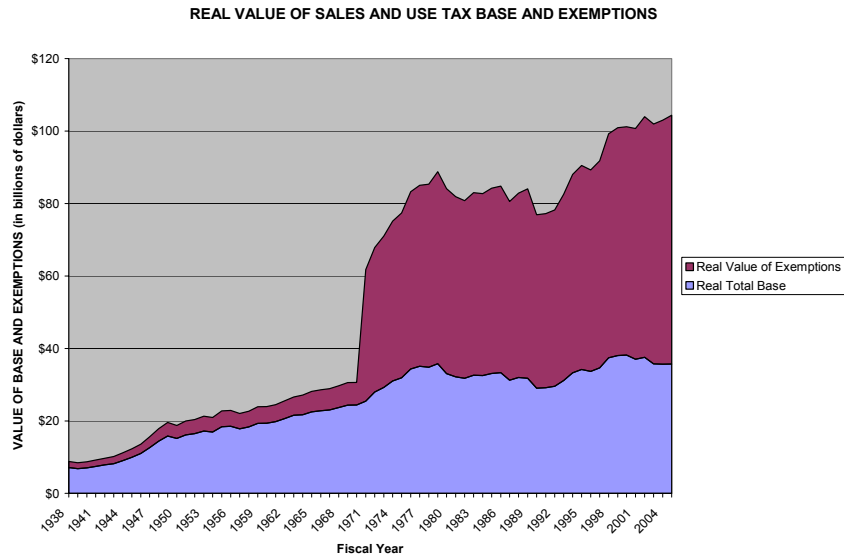


Figure 13 shows the total value of sales and use taxes exemptions from 1938 to 2005. In 1938 the total value of exclusions and exemptions was \$2.4 million. By 2005 this had mushroomed to \$3,637.6 million. The value of the exclusions and exemptions is nearly twice the size of the actual sales and use tax collections in 2005 of \$1,892.4 million.

Figure 13

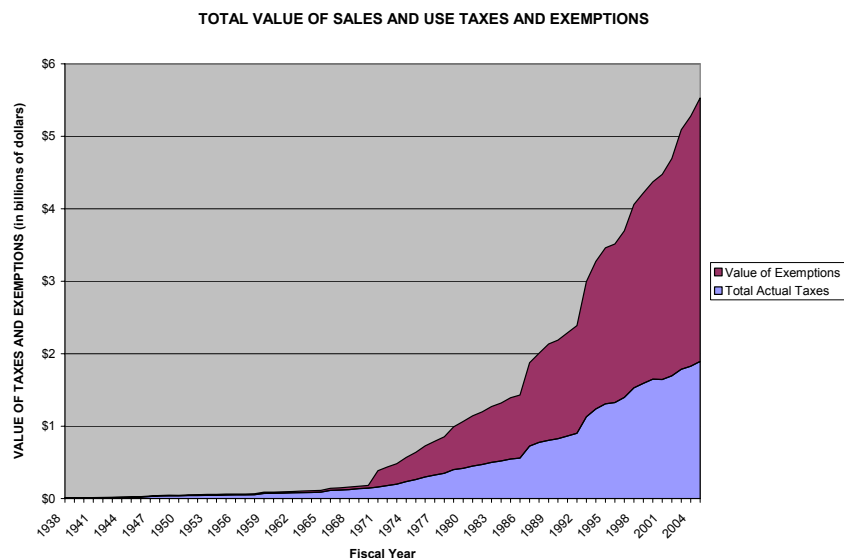
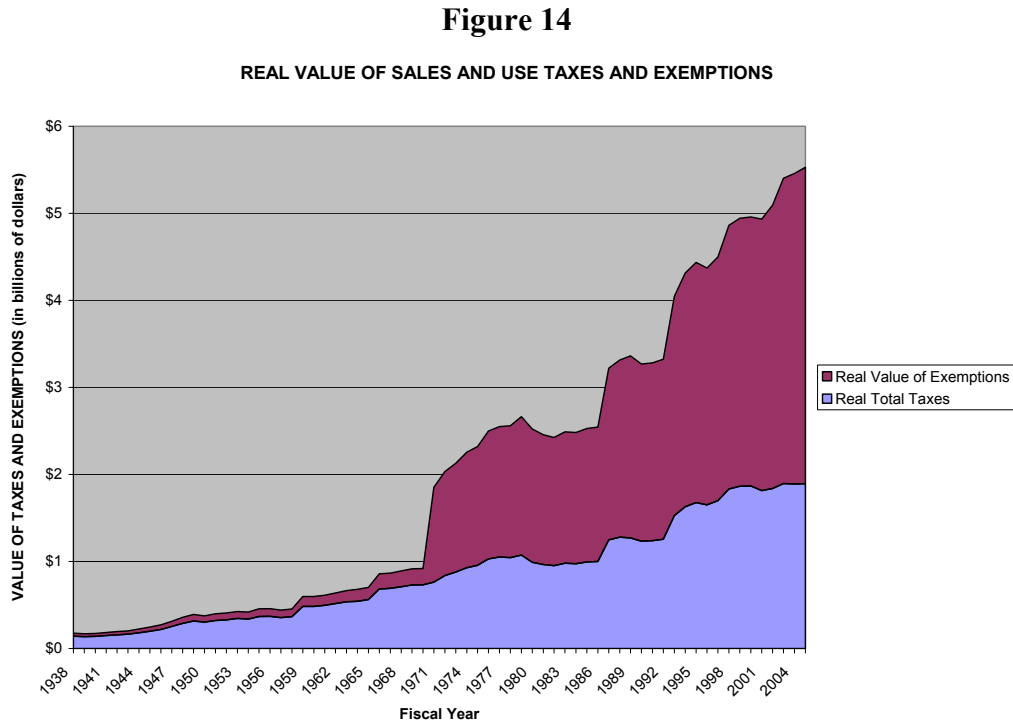


Figure 14 presents the same information adjusted for inflation.



Categorization of Exemptions and Exclusions³

The Joint Committee on the State Tax Structure adopted a categorization of exemptions and exclusions based on a Texas study. The categorization groups exemptions and exclusions into four broad categories.

- *Conceptual exemptions* are designed to prevent the sales tax from becoming a turn-over or gross receipts tax by exempting all sales other than those made to the ultimate consumer. For example, exemptions or exclusions for business-to-business transactions, items already subject to specific excise tax such as motor fuels or alcoholic beverages, items involved in transportation or in transit, or the provisions of services.
- *Administrative exemptions* are written into the sales tax law to simplify and expedite administration. For example, the exemption of family transactions or occasional sales such as garage sales.
- *Policy exemptions* are granted by the legislature as a matter of public policy, usually on the basis that the exemption makes the tax more equitable. They may also be granted on the basis that the activity benefited deserves the protection and encouragement of government. For example, exclusions or exemptions for religious,

³ Based on typology used by Joint Committee on the State Tax Structure, Appendix B, 1970: ix.

educational, literary, scientific, or benevolent activities. Or exclusions related to agriculture, land use, or economic development purposes.

- *Legal exemptions* are required to comply with the limitations on the taxing power of the state. For example, Constitutional restrictions on State governments taxing the Federal government.

Figure 15 shows the real (adjusted for inflation, using the consumer price index) value of sales and use tax base exemptions by type from 1938 to 2005. The figure indicates that the largest increases in exemptions and exclusions in the sales and use tax base occurred during the early 1970s and the early 1990s. The most significant exclusion is for component parts and items consumed in the production process. In 2005 this item alone accounted for \$43,787.0 million of sales that were not taxed.

Figure 15

REAL VALUE OF SALES AND USE TAX BASE EXEMPTIONS BY TYPE

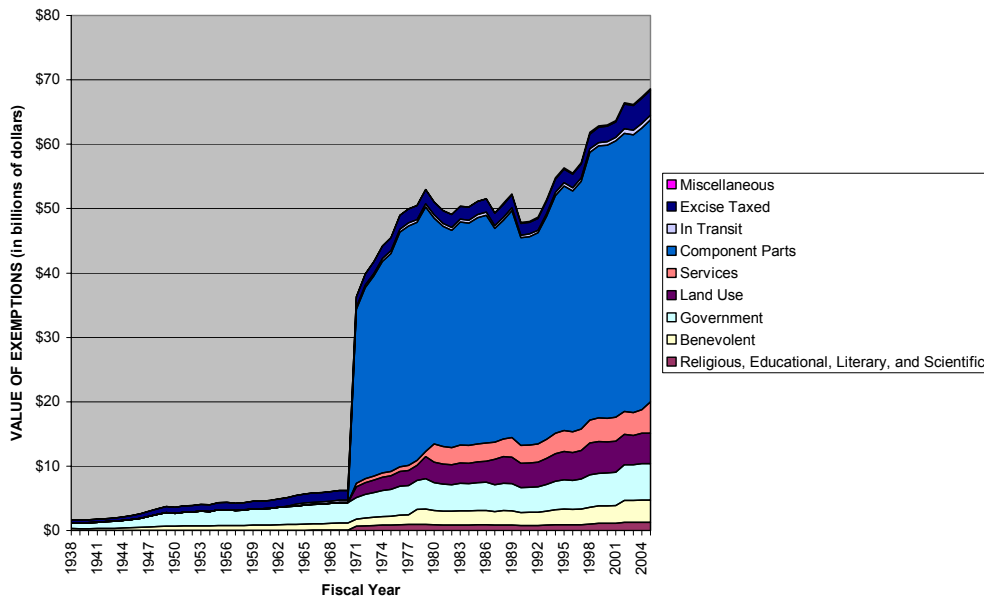
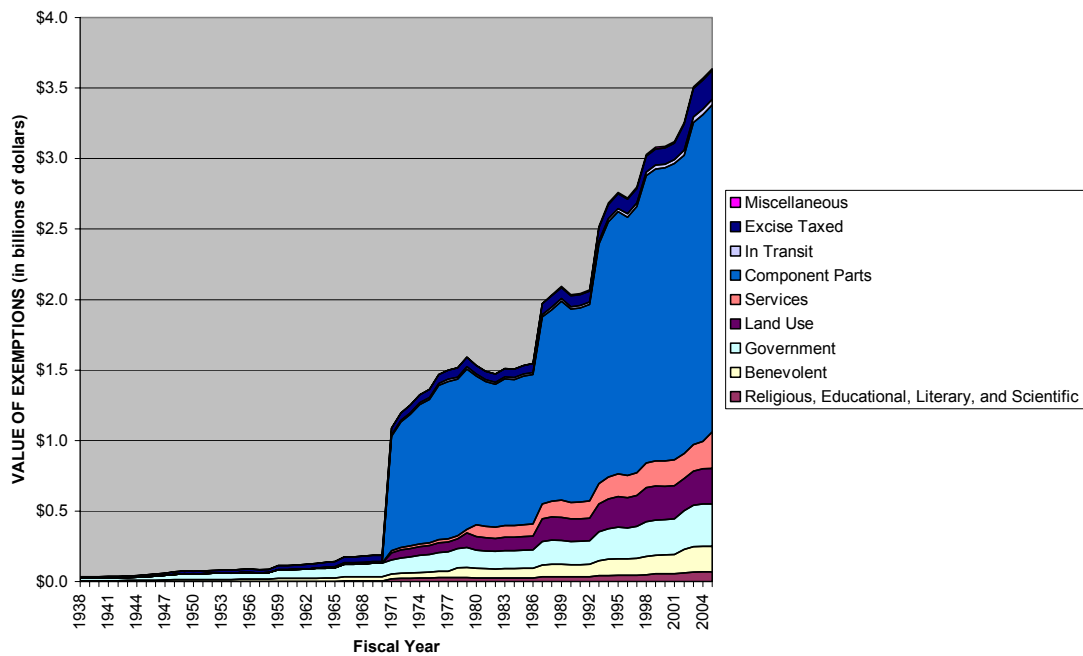


Figure 16 shows the real (adjusted for inflation) value of sales and use tax exclusions and exemptions by type from 1938 to 2005. In 2005 the exclusion of component parts and items consumed in production alone amount to a sales and use tax loss of \$2,320.7 million.

Figure 16

REAL VALUE OF SALES AND USE TAX EXEMPTIONS BY TYPE



Conceptual Exemptions

Consumer Exemptions

The argument against exempting consumer goods from the sales tax base is parallel to the case in favor of taxing services. The consumption of most goods and services is regressive so it is very difficult to design a sales tax that is not regressive even if the base is narrowed. Further exemptions increase the costs of administration and compliance, give incentives for consumers to purchase non-taxed alternatives over taxed ones, and require higher tax rates to raise a given amount of revenue.

Business Exclusions

According to Due and Mikesell (1983: 50): “In principle, sales taxes are designed to be levies on consumer expenditures. If goods used in production are taxed as well as the final products, an element of multiple taxation of the same consumer expenditures is introduced.” More specifically there are four major problems with the taxation of intermediate goods (Due and Mikesell, 1983: 50):

- The tax will not constitute a uniform percentage of consumer expenditures, since some goods require more taxable producer goods than others, per dollar of sales.
- The tax will affect the choice among various methods of production, since the tax liability will not be uniform with all methods, thus causing loss of efficiency in production processes.

- Firms will be given incentive for their own use goods that are subject to tax, since they can reduce tax liability by so doing.
- Firms in the state will be placed at a competitive disadvantage in competing with firms in states not taxing producer goods and in selling in world markets.

Scott and Derrick (1998: 190) have postulated that: “Businesses are often ignored in discussions of the sales tax since the sales tax is frequently viewed as a broad-based tax on final consumption. Exemptions of purchases for resale, direct inputs, and production machinery remove taxes on many intermediate purchases.”

On the one hand including B2B transactions in the sales tax base may appear to be an attractive option for states because (Fox, 2003: 10 and Mikesell, 1992: 90):

- The burden on individuals is concealed thus facilitating higher revenue without requiring a higher advertised or statutory tax rate,
- The myth of taxes on business versus taxes on individuals provides an opportune political advantage,
- The belief that sales taxes paid on business purchases will be embedded in operating costs and then exported to nonresidents or business owners, and
- Applying the tax to business may be considered closing a loophole that makes for an unfair business advantage or provides for better balance between taxes on business and individuals.

However, there are many undesirable effects to taxation of B2B transactions. According to Fox (2003: 9) and Mikesell (1996: 558 and 1992: 90):

- There is no fundamental logic for adding these transactions to the base; business purchases do not provide a rough index of affluence in the manner that household purchases may;
- The overall structure is inconsistent with a tax base equal to consumption, which would exempt all B2B purchases;
- The tax will influence the choice among methods of production because state tax treatment will not be neutral;
- Businesses have an incentive to vertically integrate, i.e., businesses will have an incentive to produce for their own use, rather than outsource, because their own production entails tax only on materials purchased;
- Businesses will be at economic disadvantage in competition with sales providing broader producer input exemption;
- Because states do have some idea of the development impact but are not willing to provide broad exemption, they provide special and narrow exemptions;
- The tax will ultimately be borne by individuals; and
- The total tax actually implicit in goods depends on the degree of cascading.

According to Fox (2003: 10): “Exemption of business transactions generally receives high marks from economists who believe that all business-to-business transactions should be free from taxation.” It is argued that the selective taxation of business inputs distort business

operations and interferes with the efficient operation of the overall economy. This may effect both the location decision of business and the operational structure of businesses. Mikesell (2005b: 134) says that:

The sales tax should exclude business purchases from the base. If they are not excluded, the true burden of the tax is not transparent to the public and the economy is less attractive to economic development in comparison with both international and domestic competitors.

Fox (2003: 10) posits that the exemption of business purchases is efficient as long as the exemption is targeted broadly across all businesses. Narrowly targeted exemptions will cause some economic activities to be preferred over others. Scott and Derrick (1998: 191) found that selective business sales tax exemptions lead to uneven business and employment consequences, with some sectors and occupations bearing a disproportionate share of the burden. According to Brunori (1998):

Business purchases should be exempt from a consumption tax structure, but the means through which many exemptions for business have been granted and the specific applications thereof are often questionable. It appears that the tendency to grant special-purpose exemptions in an attempt to attract economic activity is spreading from the corporate income tax to the sales tax, as evidenced by other selected activities routinely being added to the exemption list in every state.

Mikesell (2005b: 134-5) also argues that purchases of agricultural inputs and not-for-profit organizations should be exempt and their sales should not be taxed.

Figure 17 presents the total value of component exclusions. The figure indicates that the most significant exclusions/exemptions are those for component parts and items consumed in the production process. K.S.A. 79-3606(m) excludes the sales of tangible personal property that becomes an ingredient or component part of tangible personal property or services produced, manufactured, or compounded for sale at retail. In 2005 the total value of this exclusion/exemption was \$1,959.1 million in sales and use taxes. K.S.A. 79-3606(n) excludes sales of tangible personal property consumed in the manufacturing, processing, mining, drilling, refining, or compounding of tangible personal property, the treating by-products derived from any such production process, the providing of services, or the irrigation of crops produced for sale at retail. In 2005 the total value of this exclusion/exemption was \$257.0 million in sales and use taxes.

Kansas, as do other states, exempts in one form or another, purchases of items that become a component part or physical ingredient of a product that will be resold. Kansas also exempts certain services and materials consumed in the process of manufacturing or other production. Some states also exempt machinery and equipment directly used in production (*Final Report and Recommendations*, 1970: 10).

Figure 17

TOTAL VALUE OF COMPONENT PART EXEMPTIONS

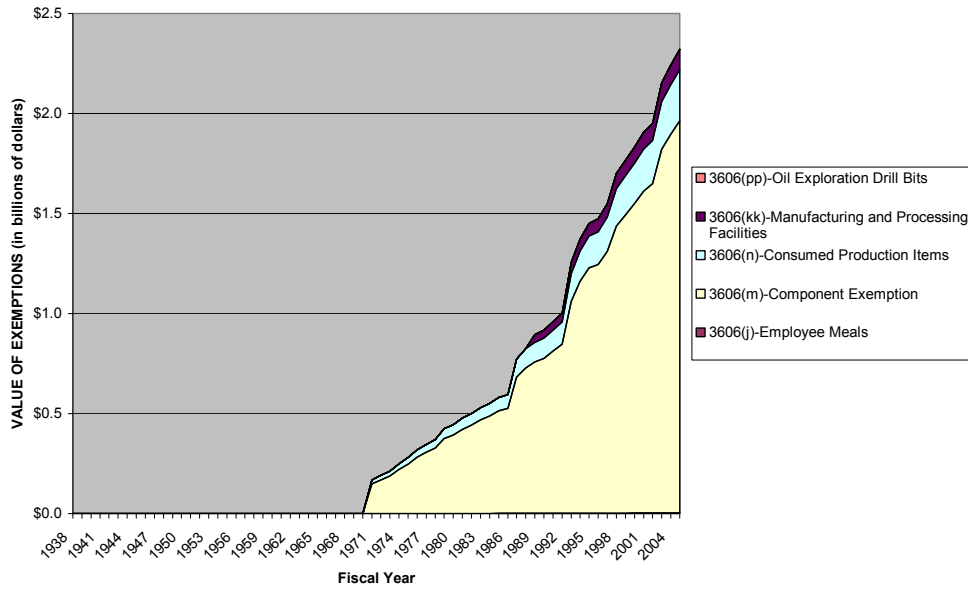


Figure 18 presents the total value of exemptions for items otherwise subject to specific excise taxes. The figure shows that the most significant exemption is for motor fuel and liquor excise taxes. In 2005 the total value of this exemption was \$202.6 million in sales and use taxes.

Figure 18

TOTAL VALUE OF EXCISE TAXED EXEMPTIONS

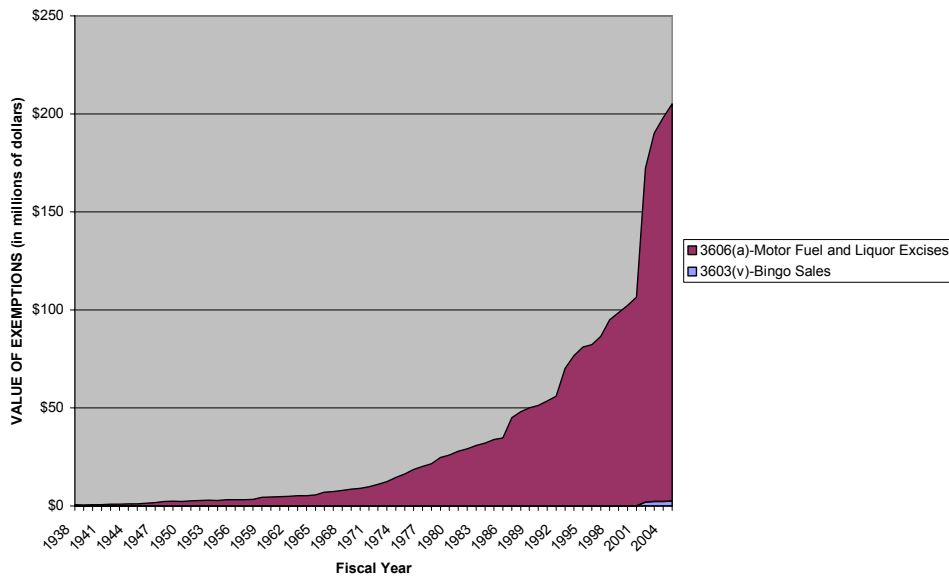


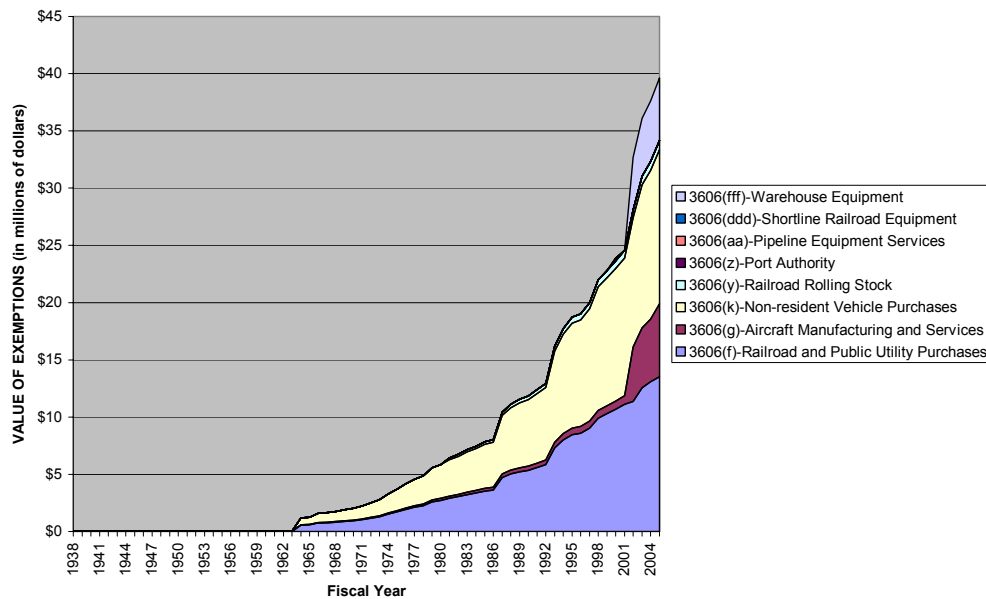
Figure 19 presents the total value of transportation-related exclusions and exemptions. The figure shows that the most significant exclusions are those for railroads and public utilities, non-resident vehicle purchases, and aircraft manufacturing and service. K.S.A. 79-3606(f)

excludes purchases of tangible personal property by a railroad or public utility for direct and immediate consumption in interstate commerce. In 2005 the total value of this exclusion was \$13.5 million in sales and use taxes.

K.S.A. 79-3606(k) exempts sales of a motor vehicle, semi-trailer, pole trailer, or aircraft purchased in Kansas by a bona fide resident of another state, not registered in Kansas, and moved out of state within 10 days. In 2005 the total value of this exemption was \$13.5 million in sales and use taxes. K.S.A. 79-3606(g) excludes sales of new and remanufactured aircraft used in interstate or foreign commerce, including aircraft repair, replacement parts, and services employed in the remanufacture and modification of aircraft. In 2005 the total value of this exclusion was \$6.4 million in sales and use taxes. Kansas, like most states, exempts purchases by public utilities for consumption or movement in interstate commerce. While some such purchases could be taxed under the use tax if delivered and stored, even temporarily, in Kansas prior to actual use in interstate commerce, it was concluded by the Hodge Committee that as long as such purchases would be exempt if made in another state, an attempt to tax them in Kansas would encourage purchases elsewhere and tend to adversely affect the Kansas economy (*Final Report and Recommendations*, 1970: 11).

Figure 19

TOTAL VALUE OF IN TRANSIT EXEMPTIONS



Taxation of Services

The primary arguments for inclusion of services in the sales tax base are (*Final Report and Recommendations*, 1970: 14-15):

- The sales tax should be as broadly applicable to consumer expenditures as possible and therefore the tax should be imposed on services as well as tangible property because both satisfy personal needs and wants.

- Taxation of services makes the sales tax less regressive because expenditures for services tend to increase as personal income rises.
- Revenue from the sales tax is more responsive to rising levels of personal income and economic activity if services are taxable, because under such conditions expenditures for services increase relatively more than purchases of basic commodities.
- Administration of the sales tax is simplified if the tax is applicable to services rendered in conjunction with sales of tangible personal property, i.e., it is not necessary to separate the amount charged for services from the amount charged for such property.

Russo (2005) concludes that: “One reason for the view that the sales and use tax base is eroding has been a fairly steady trend upward in spending on services measured as a fraction of personal income.” Similarly the Federation of Tax Administrators (*Sales Taxation of Services*, 1996) finds that: “The long-term viability of state and local retail sales taxes continues to be threatened by a variety of economic and technological trends. One of the primary threats is the increasing proportion of economic activity related to the provision of services as opposed to goods.” According to Fox (2003: 10) this result derives because: “State tax legislation is normally written so that all tangible goods are taxable unless they are otherwise exempted, and no services are taxable unless they are specifically enumerated.” It is argued that services should be included in the sales tax base to ensure that the tax burden on goods and services is similar. Fox (2003: 11) posits that:

Imposing the same tax burden on goods and services increases the horizontal equity of the tax and lessens the role that taxes play in affecting people’s choices between goods and services. Taxation of services may make the tax base less regressive, though the consumption of most goods and services is regressive. . . . Taxation of services will allow more rapid tax revenue growth than taxation of goods because U.S. consumers are dramatically increasing their consumption of services relative to goods. . . . Further, taxation of services could allow the same revenue to be collected with a lower tax rate. Lower rates reduce the extent to which the economy is distorted by people seeking to make non-taxable purchases, who engage in cross-border shopping.

In 2002 a Tax Structure Committee in the State of Washington headed by Bill Gates, Sr. recommended that the state add consumer services such as movie theaters, sports, beauticians, and cable television to the sales tax base (Watkins, 2004). However, there are also disadvantages to taxing services. According to Fox (2003):

Many professional services, such as legal and accounting services, are primarily purchased by businesses and expansion of the base to include these services could increase the extent to which the sales tax base is composed of B2B transactions. Administrative and compliance costs will rise as more services are taxed, because service vendors tend to be smaller on average than goods vendors. Also, taxation of services that can be remotely provided can be difficult to enforce, increasing the chance that the tax will disadvantage in-state

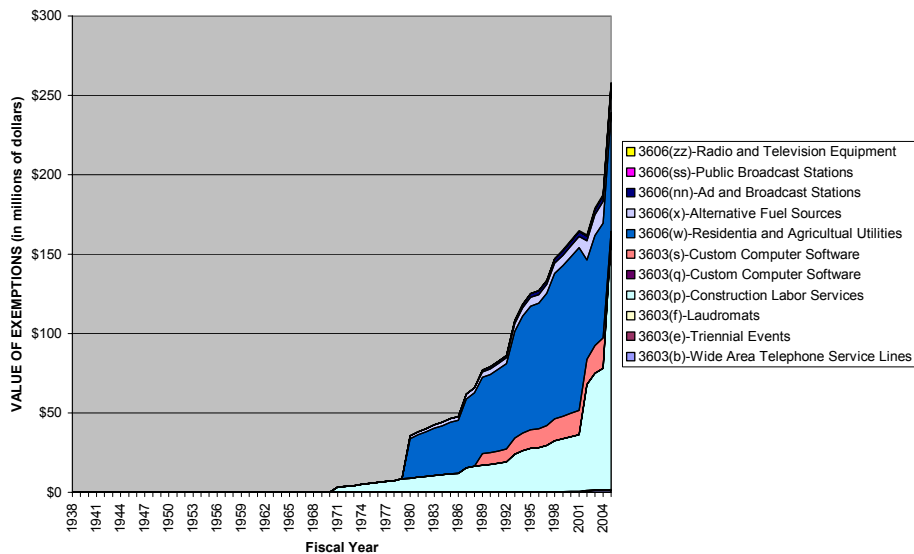
service providers relative to out-of-state providers. Concerns about equity also arise with taxation of some services, such as some forms of health care.

Thus, Fox (2003: 11) recommends that: “Decisions on expanding the base should be made on a service-by-service basis, [because] some services belong in the tax base and others do not.” However, “[f]ew states have successfully added sales tax to business, professional, or financial services, due in large part to the opposition and strength of organizational lobbies” (Watkins, 2004: 6).

Figure 20 presents the total value of services related exemptions. The figure shows that the most significant exclusions/exemptions are those for labor used in construction and residential and agricultural utility services. K.S.A. 79-3603(p) exempts the service of installing or applying tangible personal property in connection with the original construction of a building or facility, the original construction, reconstruction, restoration, remodeling, renovation, repair, or replacement of a residence, or the construction, reconstruction, restoration, replacement, or repair of a bridge or highway. In 2005 the total value of this exemption was \$158.4 million in sales and use taxes. K.S.A. 79-3606(w) excludes sales of propane gas for agricultural use and sales of water delivered for noncommercial, residential use, agricultural use, and use in the severing of oil, and delivered to property exempt from property taxation by K.S.A. 79-201b Second through Sixth, generally any property used exclusively for literary, educational, scientific, religious, benevolent, or charitable purposes. In 2005 the total value of this exclusion was \$74.7 million in sales and use taxes. Mazerov (2003) estimates extending the sales tax to all “readily-taxable” services would increase sales tax revenues in Kansas by approximately \$500 million or 29 percent. If all services, broadly construed, were included in this computation, the value of the exclusion/exemption could be as high as \$1,944.6 million.

Figure 20

TOTAL VALUE OF SERVICE EXEMPTIONS



Policy Exemptions

Figure 21 presents the total value of agricultural and land use related exclusions and exemptions. The figure shows that the most significant exclusions/exemptions are those for livestock, farm equipment and machinery, and enterprise zones. K.S.A. 79-3606(o) excludes sales of animals, fowl, and aquatic plants and animals used in the production of food for human consumption, production of animal products, or production of offspring. In 2005, the total value of this exclusion/exemption was \$144.7 million in sales and use taxes.

K.S.A. 79-3606(t) excludes sales of farm and aquaculture equipment and machinery and repair and service of such equipment and machinery, including feedlots, Christmas tree farming, and nursery operations in the definition of farming and ranching. In 2005, the total value of this exclusion/exemption was \$41.7 million in sales and use taxes. K.S.A. 79-3606(cc) excludes sales of tangible personal property and services purchased for constructing, reconstructing, enlarging, or remodeling a qualified business facility within an enterprise zone, as defined in K.S.A. 74-50,115, and sales of machinery and equipment purchased for installation at the facility. In 2005, the total value of this exclusion/exemption was \$57.1 million in sales and use taxes.

Figure 21

TOTAL VALUE OF AGRICULTURAL AND LAND USE EXEMPTIONS

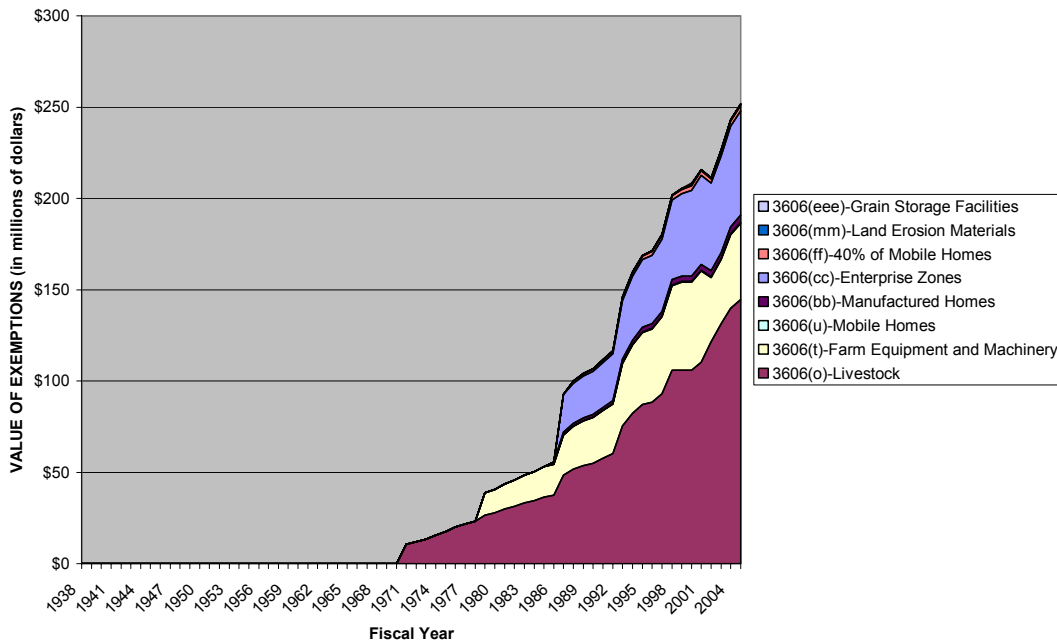


Figure 22 presents the total value of benevolent exclusions and exemptions. The figure shows that the most significant exclusions/exemptions are those for contractor work at governmental and benevolent organizations and prescriptions drugs. K.S.A. 79-3606(d) exempts sales of tangible personal property and services by a contractor for improvement projects of any political subdivision, public or private school, public or private nonprofit educational institution,

or public or private nonprofit hospital that would be exempt if purchased directly by these entities. In 2005 the total value of this exclusion/exemption was \$103.7 million in sales and use taxes. K.S.A. 79-3606(p) exempts sales of drugs dispensed through a prescription order by medical practitioners as defined by K.S.A. 65-1626. In 2005 the total value of this exclusion/exemption was \$61.3 million in sales and use taxes.

Figure 22

TOTAL VALUE OF BENEVOLENT EXEMPTIONS

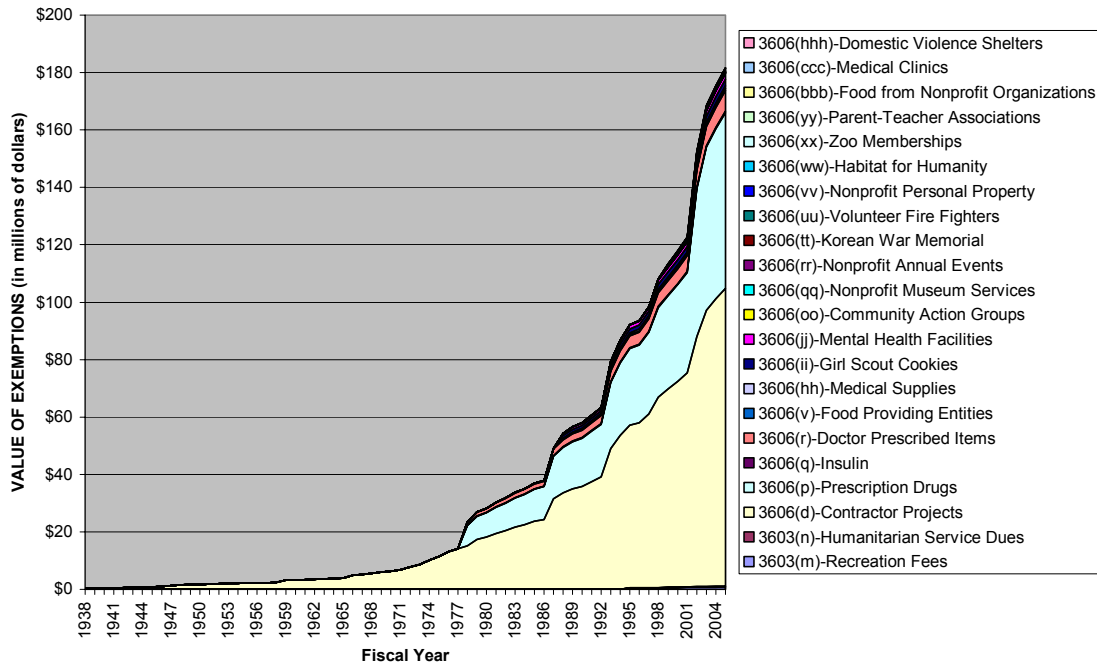
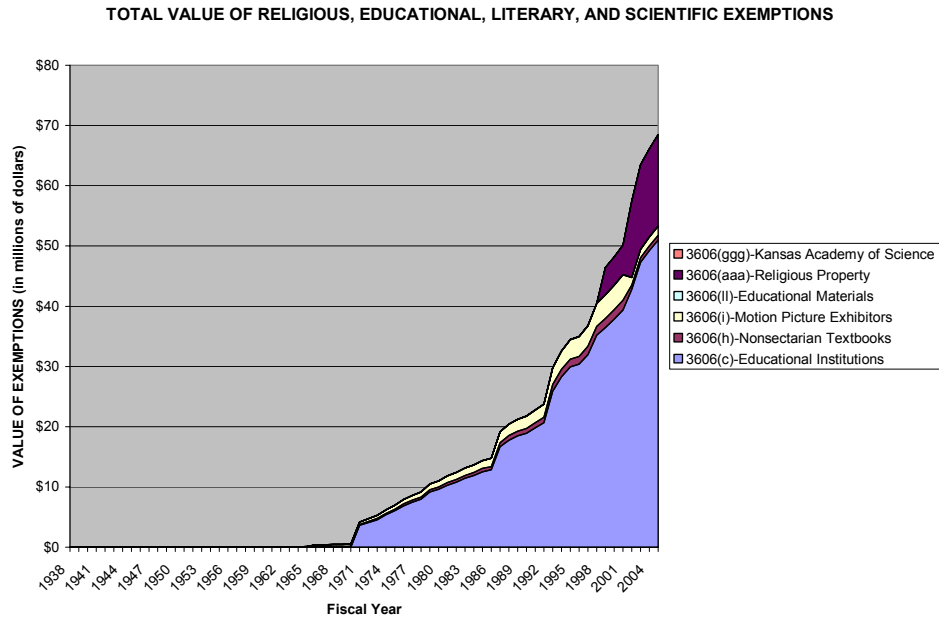


Figure 23 presents the total value of religious, educational, literary, and scientific exclusions and exemptions. The figure shows that the most significant exclusions/exemptions are those for educational institutions and religious properties. K.S.A. 79-3606(c) exempts sales of tangible personal property and services, including the renting and leasing of property, purchased by a public or private elementary or secondary school or public or private nonprofit educational institution and used primarily for nonsectarian programs and activities provided or sponsored by such school or institution or in the erection, repair, or enlargement of buildings to be used for such purposes, except that sales tied to improvements in buildings used for human habitation are not exempted. In 2005 the total value of this exclusion/exemption was \$51.0 million in sales and use taxes. K.S.A. 79-3606(aaa) exempts all sales of tangible personal property and services used exclusively for religious purposes and purchased by a religious organization which is exempt from federal income tax under section 501(c)(3). In 2005 the total value of this exclusion/exemption was \$15.1 million in sales and use taxes.

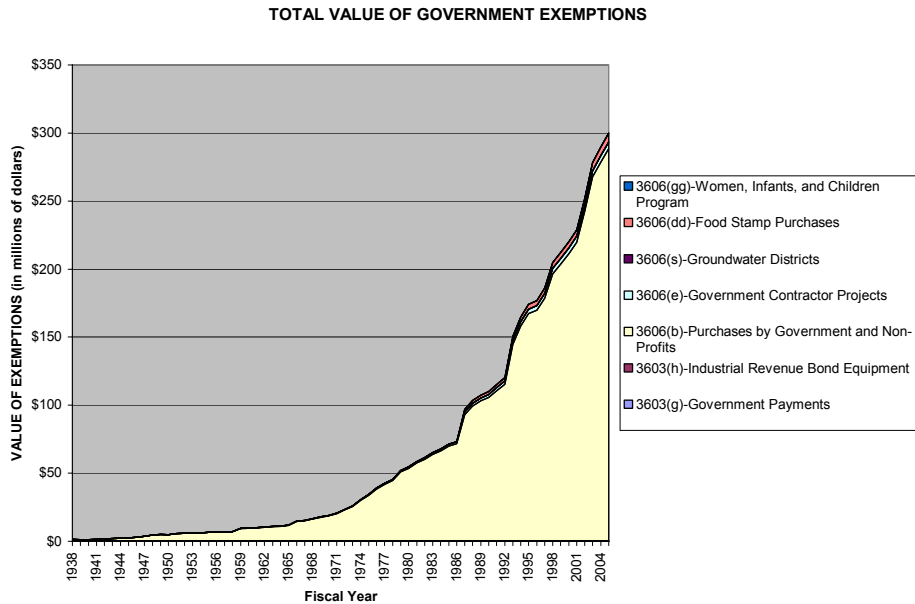
Figure 23



Legal Exemptions

Figure 24 presents the total value of governmental exemptions. The figure shows that the figure the most significant exclusion is that for government and nonprofit purchases. K.S.A. 79-3606(b) excludes sales of tangible personal property or service, including leases and rentals of property, purchased directly and used exclusively by the state, a political subdivision (other than a school or educational institution), a public or private nonprofit hospital, or a nonprofit blood bank. In 2005 the total value of this exclusion was \$288.3 million in sales and use taxes.

Figure 24



Taxation of Remote Sales

Bruce and Fox (2001) estimate that Kansas lost \$134.4 million in state and local sales taxes due to electronic commerce (e-commerce) in 2001 (see Table 1). However, they go on to point out that “much of this revenue would not have been collected even without e-commerce, as consumers and businesses would have made some of these purchases through other remote means” (Bruce and Fox, 2001: 7). Only \$71.2 million of this loss is new. The estimated loss of Kansas state and local sales taxes due to e-commerce for 2006 is \$451.5 million and the loss for 2011 is projected to be \$542.2 million. These losses amount to 2.15 percent of total state taxes in 2001, 5.84 percent of total state taxes in 2006, and 5.63 percent of total state taxes in 2011. Based on these estimates, Kansas lost approximately \$286.2 million in state sales tax revenues in 2005. The state would have to increase the state sales tax rate by 1.35 percentage points to replace the lost revenue in 2006.

Table 1
Impact of Electronic Commerce (E-Commerce)
on State and Local Sales Taxes

| Year | Combined State and Local Revenue Loss | State Revenue Loss as Percent of Total State Taxes | State Tax Rate Change to Replace Lost Revenue | Local Revenue Loss as Percent of Total State Taxes |
|------------------|---------------------------------------|--|---|--|
| 2001 | \$134,400,000 | 2.15% | ---- | 0.99% |
| 2006 (projected) | 451,500,000 | 5.84 | 1.35% | 2.68 |
| 2011 (projected) | 542,200,000 | 5.63 | 1.34 | 2.59 |

As early as 1934 it was recognized that interstate commerce would complicate administration of state sales taxes.

Obviously, states cannot tax sales in interstate commerce, since such sales are tax exempt under the commerce clause of the Federal Constitution (Art. I, p. 8, cl. 3). Inasmuch as a state is legally forbidden to tax such sales, the problems which arise are concerned with the administrative determination of what is an interstate sale (Jensen, 1934: 78).

According to Jensen (1934: 74), various proposals looked toward federal aid or cooperation in remedying some of the difficulties associated with administering state sales taxes. The proposals were generally of two types:

- The first type was to secure the passage of a federal statute which would permit the states to tax interstate commerce on par with intrastate commerce.
- The second type of proposals would replace all states’ sales taxes with a federal manufacturers’ sales tax, the proceeds of which were to be shared with the states on a basis of population.

This latter type of proposal, it was claimed, would kill two birds with one stone; it would relieve the states of the difficult and expensive task of administering retail sales taxes, substitute for such taxes the more economical manufacturers' sales tax, and also, it would automatically eliminate interstate tax competition (Jensen, 1934: 74).

Principal Findings

Although the sales tax is generally perceived by many to be a broad-based tax on final consumption, in most states it is neither broad-based nor limited to final consumption. Economic changes and policy decisions have coalesced to accelerate changes in the sales tax base in recent years. The principal causes of erosion of the sales tax base include:

- Legislated statutory exemptions,
- Attempts to tax services,
- Cross-border shopping, and
- Technological change.

One important reason for the erosion of the Kansas sales and use tax base is the passage of a large number of statutory exclusions and exemptions to the tax. Since 1937 there have been 71 original exemptions and exclusions from the sales and use tax, 53 expansions in exemptions or exclusions, 20 restrictions in exemptions and exclusions, and 62 other changes in the sales and use tax statutes, for a total of 206 legislative enactment or changes in the Kansas sales and use tax statutes. In 1938 the total value of exclusions and exemptions from the sales and use tax base was \$121.4 million of sales. By 2005, this had mushroomed to \$68,633.8 million of sales. The value of the exclusions and exemptions is nearly twice the size of the actual sales and use tax base in 2005 of \$35,706.0 million. In 1938, the total value of exclusions and exemptions was \$2.4 million. By 2005, this had mushroomed to \$3,637.6 million. The value of the exclusions and exemptions is nearly twice the size of the actual sales and use tax collections in 2005 of \$1,892.4 million. The largest increases in exemptions and exclusions in the sales and use tax base occurred during the early 1970s and the early 1990s.

The most significant exclusion is for component parts and items consumed in the production process. In 2005, this item alone accounted for \$43,787 million of sales that were not taxed. The exclusion of component parts and items consumed in production alone amount to a sales and use tax loss of \$2,320.7 million. The second largest exclusion is for government and nonprofit purchases. This exclusion resulted in the loss of approximately \$299.9 million in state sales and use tax revenue in 2005.

The statutory exemption of specifically enumerated services resulted in the loss of approximately \$258.0 million in state sales and use tax receipts in 2005. One study estimated that extending the sales tax to all readily-taxable services would increase state sales tax revenues by approximately \$500 million or 29 percent. Overall if all services broadly construed were included, state sales tax revenue could be increased by as much as \$1,944.6 million. This value is actually higher than 2005 sales and use tax receipts which were \$1,892.4 million.

Almost as significant, the exclusion of agricultural and land use related transactions resulted in the loss of approximately \$251.7 million in sales and use tax revenue in 2005. Another significant exemption is the exemption of items otherwise subject to specific excise taxes. In 2005, the total value of this exemption was \$202.6 million in sales and use taxes. Finally, the exemption of the transactions of benevolent organizations resulted in the loss of approximately \$181.7 million in sales and use taxes in 2005.

Policy Choices

According to Fox (1997: 4):

The role of the sales tax as the primary revenue instrument of state governments and as a significant source for local governments is long established, but its contribution in the 21st century depends on growth in tax revenues in response to economic increases and from policy decisions made by the federal, state, and local governments.

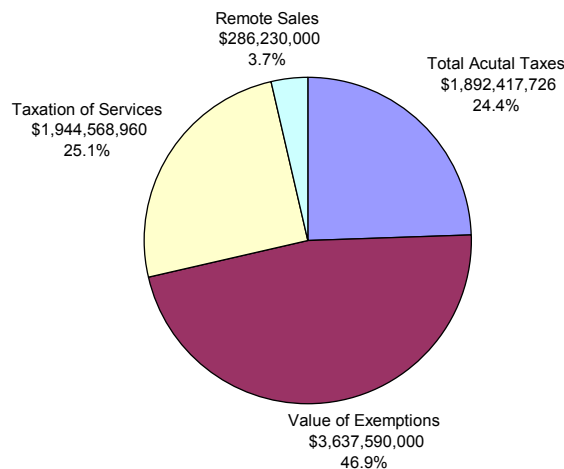
Figure 25 presents total theoretical sales and use taxes for fiscal year 2005. In addition to actual sales and use tax receipts of \$1,892.4 million in fiscal year 2005, the State of Kansas could anticipate as much as:

- \$3,637.6 million in additional revenue from the elimination of the identified exclusions and exemptions,
- \$1,994.6 million in additional revenue from the comprehensive taxation of services, broadly defined, and
- \$286.2 million in additional revenue from the taxation of remote sales.

All together, theoretical sales and use taxes for fiscal year 2005 could be as high as \$7,760.8 million, approximately 4.1 times present sales and use tax collections.

Figure 25

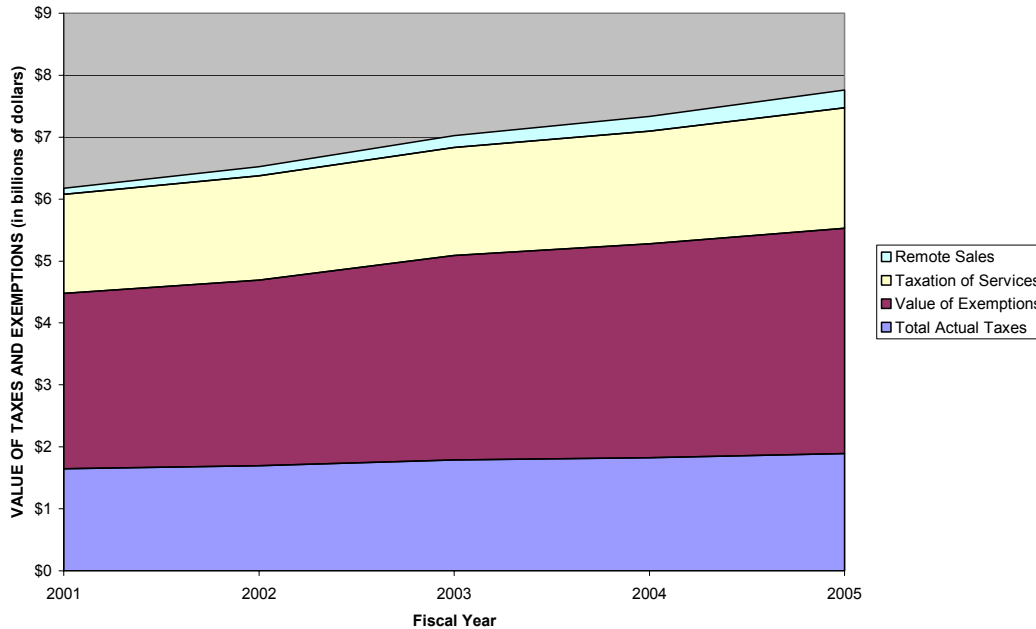
TOTAL THEORETICAL SALES AND USE TAXES, FY 2005



Similarly Figure 26 shows total theoretical sales and use taxes for fiscal years 2001 through 2005.

Figure 26

TOTAL THEORETICAL SALES AND USE TAXES



Fox (1998) concludes that the future of the sales tax is tied to addressing four problems:

- Avoiding proliferation of sales taxes on business inputs,
- Keeping household purchases of tangible personal property inside the tax base,
- Bringing household purchases of services into the tax base, and
- Getting Congress to help states enforce use taxes.

The Hodge Committee found that:

Business groups. . . recommended expansion of the exemption of production items in keeping with the concept of the sales tax as a tax on consumption rather than on production, and as contributing to the long-run economic development of the state by putting Kansas in a better position competitively in seeking to attract new industry (*Final Report and Recommendations*, 1970: 10).

The Hodge Committee concluded that the component part rule should be retained and refined, and that it would be more desirable to exempt “consumables” as a class than to continue the present policy of selective exemption through listing specific items. However, the Committee did not feel that a general exemption for machinery and equipment used in production was warranted. Ironically, the Committee felt that to exempt production equipment

would encourage requests for further exemptions resulting in the further erosion of the sales tax base (*Final Report and Recommendations*, 1970: 10).

The Hodge Committee did not recommend extension of the sales tax to include all personal and professional services. The Committee felt that if additional services were to be taxed, the most practical approach would be to start with services associated with the sale of tangible property and performed generally by firms already registered under the sales tax act (*Final Report and Recommendations*, 1970: 16).

Among problems considered by the Committee were those of determining the situs of intangible services, their allocation, and the application of the use tax to such services. Without the use tax, purchases from out-of-state sources would be encouraged to the disadvantage of local suppliers. The Committee concluded that it would be difficult to apply the use tax to purchases of services (*Final Report and Recommendations*, 1970: 16).

The Hodge Committee concluded that the educational exemption should be retained because to remove it would merely mean an increase in property taxes. The Committee also felt that the exemption of purchases by hospitals operated by religious or other non-profit organizations should be continued. It was felt that this would prevent a situation in which purchases by a publicly supported hospital would be exempt, while purchases by other hospitals were subject to the tax. Also, the Committee felt that a general exemption of purchases by non-profit hospitals would be consistent with the granting of an exemption for purchases of prescription drugs and prescribed medical devices (*Final Report and Recommendations*, 1970: 12).

The majority of the Committee drew a distinction, however, between purchases by charitable and related institutions supported by donations from income and the majority of the schools which are supported by local property taxes. Within the educational field, the feeling was that any expenditure constituting a legitimate part of the school program should be exempt and that the same rules should apply to public and private non-profit schools at all levels of education (*Final Report and Recommendations*, 1970: 12).

On the other hand, the Hodge Committee decided that the exemption of purchases by religious, charitable, and benevolent organizations should be repealed (*Final Report and Recommendations*, 1970: 11). Also the Committee did not recommend extending the exemption to food, partly because the revenue effect would be so substantial as to require an offsetting rate increase and the majority felt that there is a conceptual difference between food, a standard item, and the unexpected impact of medical costs resulting from a serious illness or accident (*Final Report and Recommendations*, 1970: 12).

Conclusion

This study examined the erosion of the sales and use tax base in Kansas. The study began with an overview of factors that have contributed to the erosion of sales tax revenues in Kansas and nationally. One important reason for the erosion of the Kansas sales and use tax base has been the passage of a large number of statutory exclusions and exemptions to the tax.

In 2005, the value of statutory exclusions and exemptions totaled over \$3.6 billion, nearly twice the size of the actual sales and use tax collections of nearly \$1.9 billion. The most significant exclusion is for component parts and items consumed in the production process. This item alone amounted to a sales and use tax loss of \$2,320.7 million in 2005. The second largest exclusion is for government and nonprofit purchases. In 2005, this exclusion resulted in the loss of approximately \$299.9 million in state sales and use tax revenue. The statutory exemption of specifically enumerated services resulted in the loss of approximately \$258.0 million in state sales and use tax receipts in 2005.

One study estimated that extending the sales tax to all readily-taxable services would increase state sales tax revenues by approximately \$500 million or 29 percent. Overall, if all services broadly construed were included, state sales tax revenue could be increased by as much as \$1,944.6 million. Other significant exemptions included the exclusion of agricultural and land use related transactions which resulted in the loss of approximately \$251.7 million in sales and use tax revenue in 2005, and the exemption of items otherwise subject to specific excise taxes which had a total value of \$202.6 million in sales and use taxes. Finally, the exemption of the transactions of benevolent organizations resulted in the loss of approximately \$181.7 million in sales and use taxes in 2005.

Statutory exclusions and exemptions are problematical for several reasons: (1) their cumulative fiscal impact is large, (2) they tend to benefit only a few, (3) they are often adopted piecemeal, (3) they are rarely evaluated or repealed, and (4) public revenues increase slower than the demand for public services. In conclusion, Snell (2004) suggests that a sound state tax system should:

- Distribute burdens equitably;
- Provide appropriate and timely revenues;
- Promote economic efficiency and growth;
- Be easy to comply with and administer; and
- Ensure accountability.

In keeping, Russo (2006) recommends that tax policy guidelines should:

- Start with principles;
- Push for broader bases and lower rates;
- Strive for neutrality;
- Apply principles to the whole, not the parts;
- Listen to the advice of tax administrators;
- Acknowledge that reform involve losers; and
- Educate policymakers.

References

- Boyd, Donald J. (2000). *State Fiscal Issues and Risks at the Start of a New Century*. Albany, NY: Fiscal Studies Program, Nelson A. Rockefeller Institute of Government, State University of New York.
- Bruce, Donald and Fox, William F. (2001). "State and Local Sales Tax Revenue Losses from E-Commerce: Updated Estimates." Knoxville, TN: Center for Business and Economic Research, University of Tennessee.
- Bruce, Donald and Fox, William F. (2000). "E-Commerce in the Context of Declining State Sales Tax Bases." *National Tax Journal*, 53 (December): 1373-1390.
- Brunori, David. (1998). "Bringing State Tax Systems Into the Twenty-First Century." *Spectrum: The Journal of State Government*, 7 (Fall): 3-13.
- Buehler, Alfred G. (1940). *Public Finance*. New York: McGraw-Hill Book Company.
- Cram, Richard and Brunkan, Steven. (2003). *Kansas Sales Tax: Exclusions and Exemptions: Tax Expenditure Estimates*. Topeka, KS: Kansas Department of Revenue, Office of Policy and Research.
- Due, John F. and Mikesell, John L. (1983). *Sales Taxation: State and Local Structure and Administration*. Baltimore: Johns Hopkins University Press.
- Due, John F. and Mikesell, John L. (1994). *Sales Taxation: State and Local Tax Administration*. Washington, DC: Urban Institute Press.
- Duncombe, William. (1992). "Economic Change and the Evolving State Tax Structure: The Case of the Sales Tax." *National Tax Journal*, 45 (September): 299-313.
- Final Report and Recommendations*. (1970). Topeka, KS: Joint Committee on the State Tax Structure.
- Fox, William F. (2003). "History and Economic Impact." In *Sales Taxation*, edited by Jerry Janata. Atlanta, GA: Institute for Professionals in Taxation.
- Fox, William F. (1998). "Can the State Sales Tax Survive a Future Like Its Past?" In *The Future of State Taxation*, edited by David Brunori. Washington, DC: Urban Institute Press.
- Fox, William F. (1997). "Importance of the Sales Tax in the 21st Century." In *The Sales Tax in the 21st Century*, edited by Mathew N. Murray and William F. Fox. Westport, CT: Praeger.

- Hamilton, Billy and Mikesell, John L. (1992). "Sales Tax Policy During the Next Decade." In *Sales Taxation: Critical Issues in Policy and Administration*, edited by William F. Fox. Westport, CT: Praeger.
- Howe, Edward T. and Reeb, Donald J. (1997). "The Historical Evolution of State and Local Tax Systems." *Social Science Quarterly*, 78 (March): 109-121.
- Jensen, Jens P. (1934). *The Sales Tax: Analysis of Existing Laws and of the Experience of Other States with Special Application to Kansas*. Topeka, KS: Research Department, Kansas Legislative Council.
- Kansas Sales Tax: The Fiscal Impact of Retailers' Sales Tax Exemptions and Exclusions on the State of Kansas Revenues: Fiscal Year 200 and 2001 Estimates*. (1999). Topeka, KS: Kansas Department of Revenue, Office of Policy and Research.
- Mazerov, Michael. (2003). *Expanding Sales Taxation of Services: Options and Issues*. Washington, DC: Center on Budget and Policy Priorities.
- Merriman, David and Skidmore, Mark. (1997). "How Have Changes in Demographic and Industrial Structure Influenced Sales Tax Revenues?" *Proceedings of the Ninetieth Annual Conference on Taxation of the National Tax Association*. Washington, DC: National Tax Association.
- Mikesell, John L. (2005b). "A Quality Index for State Sales Tax Structure—Measuring the States Against an Ideal Standard." *State Tax Notes*, (January 10): 129-280.
- Mikesell, John L. (1996). "Sales Tax Incentives for Economic Development: Why Shouldn't Production Exemptions Be General?" *National Tax Journal*, 54 (September): 557-567.
- Mikesell, John L. (1992). "State Sales Tax Policy in a Changing Economy: Balancing Political and Economic Logic Against Revenue Needs." *Public Budgeting and Finance*, (Spring): 83-91.
- Review of Alternatives to the Property Tax*. (1984). Wichita, KS: Tax Study Group.
- Reviewing Sales Tax Enforcement and Collection Efforts at the Department of Revenue: A K-GOAL Audit*. (1996) Topeka, KS: Legislative Division of Post Audit, State of Kansas.
- Ring, Raymond J., Jr. (1999). "Consumers' Share and Producers' Share of the General Sales Tax." *National Tax Journal*, 52 (March): 79-90.
- Ring, Raymond J., Jr. (1989). "The Proportion of Consumers' and Producers' Goods in the General Sales Tax." *National Tax Journal*, 42 (June): 167-179.
- Russo, Benjamin. (2006). "State Tax Reform: Evidence, Logic, and Lessons from the Trenches." *State Tax Notes*, 39 (February 13): 467-477.

Russo, Benjamin. (2005). "Will the State Sales Tax Future Be Like Its Past?" *State Tax Notes*, 35 (January 10): 115-122.

Russo, Benjamin and Wei, Shannon. (2004). "Will Erosion Wear Away the Sales Tax?: Empirical Evidence." Charlotte, NC: Economics Department, Belk College of Business, University of North Carolina at Charlotte.

Sales Taxation of Services. (1996). Washington, DC: Federation of Tax Administrators.

Scott, Charles E. and Derrick, Frederick W. (1998). "Business Consequences of the 'Retail' Sales Tax." In *Advances in Taxation, Volume 10*, edited by Thomas M. Porcano, M. Porcano, and T.M. Porcano. Greenwich, CT: JAI Press.

Snell, Ronald. (2004). *New Realities in State Finance*. Denver, CO: National Conference of State Legislatures.

The Kansas Retail Sales Tax Fund. (1938). Topeka, KS: Research Department, Kansas Legislative Council.

The Sales Tax: Exemption of Food, and Collection from Consumer. (1938). Topeka, KS: Research Department, Kansas Legislative Council.

The Sales Tax: Supplementary Report. (1935). Topeka, KS: Research Department, Kansas Legislative Council.

U.S. Bureau of Labor Statistics.

- *100 Years of U.S. Consumer Spending: Data for the Nation, New York City, and Boston*. (2006).
- *Consumer Expenditures in 2004*.
- *Consumer Expenditures in 2003*.
- *Consumer Expenditures in 2002*.
- *Consumer Expenditures in 2001*.
- *Consumer Expenditures in 2000*.
- *Consumer Expenditures in 1999*.

U.S. Bureau of the Census.

- *2002 Economic Census, Retail Trade, Geographic Area Series—Kansas*.
- *1997 Economic Census, Retail Trade, Geographic Area Series—Kansas*.
- *1992 Census of Retail Trade, Geographic Area Series—Kansas*.
- *1987 Census of Retail Trade, Geographic Area Series—Kansas*
- [C 3.255/2:RC 87-A-17].
- *1982 Census of Retail Trade, Geographic Area Series—Kansas*
- [C 3.255/2:RC 82-A-17].
- *1977 Census of Retail Trade, Geographic Area Series—Kansas*
- [C 3.255/2:RC 77-A-17].

- *1972 Census of Retail Trade, Geographic Area Series—Kansas*
- [C 3.255/2:RC 72-A-17].
- *1967 Census of Business, Volume II: Retail Trade—Area Statistics, Part 2, Iowa-North Carolina* [C 3.202/5:967/v.2/pt.2].
- *1963 Census of Business, Volume II: Retail Trade—Area Statistics, Part 2, Indiana-New York* [C 3.202/5:963/v.2/pt.2].
- *1958 Census of Business, Volume II: Retail Trade—Area Statistics, Part 1, U.S. Summary and Alabama-Mississippi* [C 3.202/5:958/v.2/pt.1].
- *1954 Census of Business, Volume II: Retail Trade—Area Statistics, Part I, U.S. Summary and Alabama-Mississippi* [C 3.202/5:954/v.2/pt.1].
- *1948 Census of Business, Volume III: Retail Trade—Area Statistics* [C 3.202/5:3].
- *1940 Census of Business, Volume I: Retail Trade, Part I, U.S. Summary and Types of Operation, Credit Sales and Receivables, Monthly Employment, and Other Subjects* [C 3.940-5:B96/v.1/pt.1].
- *Annual Benchmark Report for Retail Trade and Food Services: January 1992 Through February 2004.* (2004).

Watkins, Marilyn P. (2004). *Lost Revenue, Lost Opportunities: Tax Exemptions in Washington State.* Seattle, WA: Economic Opportunity Institute.

Wong, Lung-Fai; Michael, Joel; and Wilson, Doug. (1990). “The Distributive Effect of Expanding the Sales Tax.” *Public Finance Quarterly*, 18 (October): 465-479.

Appendix A
Chronology of Statutory Changes in the Kansas Retailers' Sales Tax (K.S.A. 76-3603)
1937 to Present

| Year | Change | Nature of Exemption |
|-------------|---------------|--|
| 1937 | Section (a) | Exempts sales of motor fuels and cigarettes and other items subject to sales or excise taxes. |
| 1937 | Section (b) | Exempts sales to the state of Kansas and political subdivisions except when engaged in taxable business. |
| 1937 | Section (d) | Exempts sales of tangible personal property or service used in performing public works. |
| 1937 | Section (e) | Exempts sales precluded from taxation by the constitution or laws of the U.S. government. |
| 1947 | Section (b) | Expands exemption to include sales of tangible personal property or service to educational, religious, benevolent, and charitable institutions except when engaged in taxable business. |
| 1949 | Section (d) | Exempts sales of tangible personal property, which becomes a component part of property titled to the state, a political subdivision, or an educational, religious, benevolent, or charitable institution. |
| 1949 | Section (g) | Exempts sales of aircraft, aircraft repair, and replacement parts for aircraft used in interstate or foreign commerce. |
| 1963 | Section (a) | Restricts exemption by making sales of cigarettes as defined in K.S.A. 79-3301 and malt beverages and products as defined in K.S.A. 79-3817 subject to taxation. |
| 1963 | Section (f) | Exempts purchases of tangible personal property by a railroad or public utility for consumption in interstate commerce. |
| 1963 | Section (h) | Exempts rentals of school textbooks by school boards. |
| 1963 | Section (k) | Exempts sales of an automobile or truck sold and delivered to a bona fide resident of another state, and not remaining in the state more than 10 days. |
| 1965 | Section (b) | Expands exemption to include purchases by contractors constructing improvements on behalf of exempt organizations and sales for construction and improvement of buildings for human habitation used exclusively for the purposes of exempt organization. |
| 1965 | Section (i) | Exempts lease or rental of films, records, and tapes used by motion picture exhibitors and all proceedings pending at the time of act. |
| 1965 | Section (j) | Exempts meals served without charge to employees of restaurants and other businesses that serve food to the public when employees' duties involve furnishing or selling meals or drinks. |
| 1967 | Section (b) | Expands exemption for purchases related to school buildings or school property used in school activities that charge a fee. |

| | | |
|------|-------------|---|
| 1970 | Section (a) | Restricts exemption by making sales upon which a tax has been paid, not subject to refund. |
| 1970 | Section (b) | expands exemption to include the renting and leasing tangible property by exempt organizations and redefines exempt organizations to be the state of Kansas, political subdivisions (other than a school or education institution), or private nonprofit hospitals |
| 1970 | Section (c) | exempts sales of tangible personal property and services, including the renting and leasing of property, purchased by a public or private elementary or secondary school or public or private nonprofit educational institution and used primarily for nonsectarian |
| 1970 | Section (d) | exempts sales of tangible personal property and services purchased by a contractor for the erection, repair, or enlargement of buildings or other projects for exempt organizations, redefines exempt organizations to be political subdivisions of the state, |
| 1970 | Section (d) | Expands exemption by allowing purchases by contractor on behalf of exempt organizations. |
| 1970 | Section (f) | restricts exemption to purchases used directly and immediately in interstate commerce |
| 1970 | Section (g) | Expands exemption to include sales of remanufactured and modified aircraft. |
| 1970 | Section (h) | Exempts rentals of nonsectarian books rented by public or private elementary or secondary schools. |
| 1970 | Section (i) | Removes language concerning pending proceedings from statute. |
| 1970 | Section (k) | Expands exemption to include sales of motor vehicles and aircraft. |
| 1970 | Section (l) | Exempts isolated or occasional sales of tangible personal property, services, substances, or things, except sales of motor vehicles. |
| 1970 | Section (m) | Exempts sales of tangible personal property that becomes an ingredient or component part of tangible personal property or services produced, manufactured, or compounded for sale at retail. |
| 1970 | Section (n) | Exempts sales of tangible personal property or services consumed in the manufacturing, processing, mining, drilling, refining, or compounding of tangible personal property, the providing of services, or the irrigation of crops produced for sale at retail. |
| 1970 | Section (o) | Exempts sales of animals, fowl, and fish used in the production of food for human consumption, production of animal products, or used in production of offspring. |
| 1971 | Section (b) | Restricts exemption to exclude exempt organizations who propose to engage in taxable business. |
| 1971 | Section (c) | Specifies that exemption does not apply to erection, construction, repair, enlargement, or equipment of buildings used for human habitation. |
| 1971 | Section (e) | Exempts sales of tangible personal property and services by a contractor for improvement projects of the U.S. government that would be exempt if purchased directly by the government. |
| 1971 | Section (n) | Restricts exemption by removing the sales of services consumed in production. |

| | | |
|------|--------------|---|
| 1977 | Section (d) | Revises certification requirement by allowing a sworn statement by contractor rather than copies of invoices. |
| 1977 | Section (e) | Changes requirements for certification of purchases. |
| 1977 | Section (g) | Expands exemption to include sales of services in remanufacture, modification, and repair of aircraft. |
| 1977 | Section (p) | Exempts sales of prescription drugs by medical practitioners as defined by K.S.A. 65-1626. |
| 1977 | Section (q) | Exempts sales of insulin. |
| 1977 | Section (r) | Exempts sales of prosthetic and orthopedic appliances prescribed by a licensed medical professional. |
| 1977 | Section (s) | Exempts sales of tangible personal property or services used in the operation and maintenance of a groundwater management district. |
| 1978 | Section (t) | Exempts sales of used farm machinery and equipment and repair and service of such equipment and machinery (exemption to expire on July 1, 1981). |
| 1978 | Section (u) | Exempts the rental of tangible personal property used as a dwelling for more than 28 consecutive days. |
| 1978 | Section (v) | Exempts sales of tangible personal property for use in preparing meals for elderly persons over 60 years of age and disabled persons. |
| 1979 | Section (w) | Exempts sales of natural gas, electricity, heat, and water delivered to residential premises for noncommercial use and delivered for agricultural use. |
| 1979 | Section (x) | Exempts sales of propane, LP gas, coal, wood, and other fuels for noncommercial heat or lighting in a residence. |
| 1980 | Section (b) | Expands exemption to include nonprofit blood banks as exempt organizations. |
| 1980 | Section (t) | Expands exemption by removing expiration date. |
| 1980 | Section (y) | Exempts sales of materials and services used in repairing, servicing, altering, maintaining, manufacturing, remanufacturing, and modifying railroad rolling stock used in interstate and foreign commerce. |
| 1981 | Section (a) | Restricts exemption by making sales of motor vehicles defined by K.S.A. 79-1017 subject to taxation. |
| 1981 | Section (d) | Restricts exemption to improvement projects paid for from general tax revenues, bond proceeds, certain gifts, or grants-in-aid and clarifies language defining improvement projects. |
| 1981 | Section (z) | Exempts sales of tangible personal property and services purchased directly by or in behalf of a port authority, as prescribed in K.S.A. 12-3418. |
| 1982 | Section (k) | Expands exemption to include sales of semi trailers and pole trailers. |
| 1982 | Section (aa) | exempts sales of materials and services applied to liquid and natural gas pipeline equipment that is brought into Kansas for repair, service, alteration, maintenance, remanufacture, or modification and subsequently transported back out of state for use in |
| 1984 | Section (b) | Revises language-precluding sales applied to business use by exempt organizations to restrict exemption of a political subdivision engaged or proposing to engage in furnishing gas, water, electricity, or heat to others. |

| | | |
|------|--------------|--|
| 1985 | Section (bb) | Exempts sales of used mobile homes. |
| 1986 | Section (cc) | exempts sales of tangible personal property and services purchased for constructing, reconstructing, enlarging, or remodeling a qualified business facility within an enterprise zone, as defined in K.S.A. 74-50,115, and sales of machinery and equipment in |
| 1986 | Section (dd) | Exempts sales of tangible personal property purchased with food stamps issued by the U.S. Department of Agriculture. |
| 1987 | Section (t) | Expands exemption by including feedlots in the definition of farming and ranching. |
| 1987 | Section (cc) | Expands exemption to include sales of machinery and equipment purchased for installation at the facility. |
| 1987 | Section (ee) | Exempts sales of lottery tickets sold through the state of Kansas. |
| 1987 | Section (ff) | Exempts sales of mobile homes, up to 40 percent of the gross receipts, excluding trade-in allowance, from such sales. |
| 1987 | Section (gg) | Exempts sales of tangible personal property purchased with vouchers issued through the special supplemental food program for women, infants, and children. |
| 1987 | Section (hh) | Exempts sales of medical supplies and equipment, not including property used for human habitation, by a nonprofit skilled nursing home or intermediate nursing care home. |
| 1987 | Section (ii) | Exempts sales of tangible personal property, not including property used for human habitation, purchased by or on behalf of nonprofit organizations engaged in youth development, such as boy scouts, girl scouts, 4-H clubs, and boys and girls clubs. |
| 1987 | Section (jj) | exempts sales of tangible personal property or services, including renting and leasing of tangible personal property, by a community-based mental retardation facility or mental health center |
| 1988 | Section (v) | Expands exemption to include sales of food products for use in preparing meals for indigent or homeless. |
| 1988 | Section (cc) | Expands exemption to allow sales tax refunds for qualified purchases not filed timely and certified. |
| 1988 | Section (kk) | Exempts sales of machinery and equipment used directly and primarily for manufacturing, assembling, processing, finishing, storing, warehousing, distributing articles of tangible personal property intended for resale. |
| 1988 | Section (ll) | Exempts sales of educational materials purchased for distribution at no charge to the public by a nonprofit corporation organized for the purpose of improving public health and exempt from federal income tax under section 501(c) (3). |
| 1988 | Section (mm) | Exempts sales of seed, tree seedlings, fertilizers, insecticides, herbicides, germicides, pesticides, and fungicides purchased to grow plants to prevent soil erosion on land devoted to agricultural use. |
| 1988 | Section (nn) | exempts sales of services performed by an advertising agency or licensed broadcast station |
| 1988 | Section (oo) | exempts sales of tangible personal property purchased by a community action group for repairing or weatherizing housing for low income individuals |

| | | |
|------|--------------|---|
| 1988 | Section (pp) | exempts sales of drill bits and explosives used in exploration and production of oil or gas |
| 1988 | Section (qq) | Exempts sales of tangible personal property and services purchased by a nonprofit museum or historical society, including any nonprofit organization which has the purpose of stimulating public interest in space exploration, that is exempt from federal in |
| 1989 | Section (p) | Removes "prescription only" from exemption and refers to drugs defined by K.S.A. 65-1626. |
| 1989 | Section (t) | Expands exemption to include new, as well as used, farm equipment and machinery and to include farm and ranch work for hire in the definition of farming and ranching. |
| 1989 | Section (rr) | Exempts sales of tangible personal property, including a button that will admit the purchaser to an annual event sponsored by a nonprofit organization exempt from federal income tax under section 501(c) (3). |
| 1991 | Section (bb) | Expands exemption to include manufactured homes. |
| 1991 | Section (ff) | Expands exemption to include manufactured homes. |
| 1994 | Section (o) | Expands exemption to include aquatic plants and animals. |
| 1994 | Section (t) | Expands exemption to include sales of machinery and equipment used for aquaculture and Christmas tree farming. |
| 1994 | Section (w) | Expands exemption to include sales of natural gas, electricity, heat, and water used in the severing of oil. |
| 1994 | Section (cc) | Expands exemption to include sales of any person constructing, reconstructing, enlarging, or remodeling a business facility and leasing facility to a qualified business. |
| 1994 | Section (ss) | Exempts sales of tangible personal property and services purchased by public broadcasting television and radio stations licensed by the federal communications commission. |
| 1995 | Section (n) | Expands exemption to include sales consumed in the treating by-products or wastes from production processes. |
| 1995 | Section (r) | Expands exemption to include accessories attached to motor vehicles. |
| 1995 | Section (t) | Expands exemption to include nursery operations in the definition of farming and ranching. |
| 1995 | Section (w) | expands exemption to include sales of propane gas for agricultural use and sales of natural gas, electricity, heat, and water delivered to any property exempt from property taxation by K.S.A. 79-201b Second through Sixth, generally any property used exclusively |
| 1996 | Section (tt) | Exempts sales of tangible personal property and services purchased for the construction of a Kansas Korean War memorial by a nonprofit corporation exempt from federal income tax under section 501(c) (3). |
| 1997 | Section (uu) | Exempts sales of tangible personal property and services purchased by rural volunteer fire-fighting organizations and used in the performance of their duties. |
| 1997 | Section (vv) | exempts sales of tangible personal property purchased by American Heart Association, Kansas Affiliate, Inc., Kansas Alliance for the Mentally Ill, Inc., Kansas Mental Illness Awareness Council, American Diabetes Association Kansas Affiliate, Inc., America |

| | | |
|------|---------------|--|
| 1997 | Section (ww) | Exempts sales of tangible personal property purchased by the Habitat for Humanity for exclusive use in housing projects constructed by the organization. |
| 1998 | Section (a) | Expands exemption by excluding sales of tires taxed by K.S.A. 65-3424d and dry cleaning and laundry services taxed by K.S.A. 65-34,150. |
| 1998 | Section (b) | Expands exemption to include public hospital authority as an exempt organization. |
| 1998 | Section (d) | Expands exemption to include public hospital authority as an exempt organization. |
| 1998 | Section (g) | Expands exemption to include sales to persons directly or through an authorized agent. |
| 1998 | Section (kk) | Expands exemption by precluding the definition of machinery and equipment used for federal income tax purposes. |
| 1998 | Section (xx) | Exempts sales of tangible personal property and services purchased by or on behalf of a zoo exempt from federal income tax under section 501(c) (3). |
| 1998 | Section (yy) | Exempts purchases of tangible personal property and services by a parent-teacher association and sales of tangible personal property by or on behalf of such association. |
| 1998 | Section (zz) | Exempts sales of machinery and equipment purchased by over-the-air, free access radio or television stations and used directly and primarily in producing a broadcast signal and sales of electricity essential to producing a broadcast signal. |
| 1998 | Section (aaa) | exempts sales of tangible personal property and services used exclusively for religious purposes and purchased by a religious organization exempt under section 501 (c) (3). |
| 1998 | Section (bbb) | Exempts sales of food by 501(c) (3) exempt organizations pursuant to food distribution programs, which offer food at a price below cost in exchange for community service. |
| 1999 | Section (aaa) | Expands exemption to include sales of property and services, but not equipment or machinery, purchased by contractors making facility improvements for religious organizations. |
| 1999 | Section (ccc) | Exempts sales of tangible personal property and services purchased by primary care clinics and health centers that primarily serve the medically underserved, including purchases by contractors for improving facilities of such clinics and centers. |
| 1999 | Section (ddd) | exempts materials and services purchased in calendar year 1999 for railroad tracks and facilities used in interstate commerce by short line railroads defined Class II or III by the federal surface transportation board |
| 1999 | Section (eee) | exempts materials and services purchased in calendar year 1999 for construction, reconstruction, repair, or replacement of grain storage facilities, including railroad sidings |
| 2000 | Section (kk) | Expands exemption through expansive definitions of equipment and machinery used in manufacturing and processing. |
| 2000 | Section (eee) | Extends exemption to include calendar year 2000. |
| 2000 | Section (fff) | exempts sales of material handling equipment, racking systems, and other machinery used for handling, moving, storing property in a warehouse or distribution facility, including sales of installation, repair, and maintenance of such equipment and machinery |

| | | |
|------|---------------|---|
| 2000 | Section (ggg) | exempts sales of tangible personal property and services purchased by or on behalf of the Kansas Academy of Science, a 501(c)3 exempt organization, and used for educational materials. |
| 2001 | Section (s) | expands exemption to include sales of tangible personal property and services used in the operation and maintenance of rural water districts and water supply districts and sales of tangible personal property and services used in construction for groundwater |
| 2001 | Section (vv) | Expands exemption to include Kansas chapters of Parkinson's disease association and National Kidney Foundation of Kansas and Western Missouri. |
| 2003 | Section (p) | Defines prescription drugs by reference to national standards of pharmacology. |
| 2003 | Section (r) | Expands exemption to include mobility enhancing equipment. |
| 2003 | Section (w) | eliminates exemption for sales of natural gas, electricity, and heat, effective after December 31, 2005 |
| 2003 | Section (x) | Restricts exemption to sales that occur prior to Jan. 1, 2006. |
| 2003 | Section (hh) | Expands exemption to include durable medical equipment including repair and replacement parts for such equipment. |
| 2004 | Section (r) | Expands exemption to include sales of hearing aids and replacement parts for hearing aids. |
| 2004 | Section (s) | Restricts exemption by requiring districts to either pay a clean drinking water fee, as provided in KSA 82a-2101, or lose exemption from sales taxes. |
| 2004 | Section (v) | Expands exemption to include sales of tangible personal property, not just food products. |
| 2004 | Section (jj) | expands exemption to include sales of tangible personal property and services purchased by contractors from July 2003 to June 2004 for constructing, equipping, maintaining, or furnishing a community mental health or retardation facility in Riverton |
| 2004 | Section (vv) | Expands exemption to include the heartstrings community foundation, Cystic Fibrosis Foundation, Heart of America Chapter, and spina bifida association of Kansas. |
| 2004 | Section (hhh) | Exempts sales of tangible personal property and services purchased by or on behalf of domestic violence shelters that are member agencies of the Kansas coalition against sexual and domestic violence. |
| 2005 | Section (r) | Expands exemption to include repair of hearing aids. |

Appendix B Value of Sales and Use Tax Exemptions

| Fiscal Year | 1938 | 1939 | 1940 | 1941 | 1942 | 1943 |
|--|---------------|--------------|---------------|---------------|---------------|---------------|
| Tax Rate | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Sales Taxes | \$ 9,954,343 | \$ 9,473,799 | \$ 9,635,135 | \$ 10,663,074 | \$ 12,478,616 | \$ 14,055,298 |
| Use Taxes | 332,366 | 253,800 | 444,466 | 526,298 | 631,506 | 497,834 |
| Total Actual Taxes | \$ 10,286,709 | \$ 9,727,599 | \$ 10,079,601 | \$ 11,189,372 | \$ 13,110,122 | \$ 14,553,132 |
| Exemptions | | | | | | |
| 3602(e) | - | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 1,746 | 1,651 | 1,711 | 1,900 | 2,226 | 2,471 |
| 3603(e)-Triennial Events | - | - | - | - | - | - |
| 3603(f)-Laudromats | - | - | - | - | - | - |
| 3603(g)-Government Payments | - | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - | - |
| 3603(m)-Recreation Fees | - | - | - | - | - | - |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | - | - |
| 3603(o)-Family and Corporate Transfers | - | - | - | - | - | - |
| 3603(p)-Construction Labor Services | - | - | - | - | - | - |
| 3603(q)-Custom Computer Software | - | - | - | - | - | - |
| 3603(s)-Custom Computer Software | - | - | - | - | - | - |
| 3603(v)-Bingo Sales | - | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 637,741 | 603,078 | 624,901 | 693,703 | 812,783 | 902,244 |
| 3606(b)-Purchases by Government and Non-Profits | 1,316,107 | 1,244,573 | 1,289,609 | 1,431,596 | 1,677,341 | 1,861,963 |
| 3606(c)-Educational Institutions | - | - | - | - | - | - |
| 3606(d)-Contractor Projects | 446,095 | 421,849 | 437,114 | 485,240 | 568,536 | 631,113 |
| 3606(e)-Government Contractor Projects | 26,519 | 25,077 | 25,985 | 28,846 | 33,797 | 37,517 |
| 3606(f)-Railroad and Public Utility Purchases | - | - | - | - | - | - |
| 3606(g)-Aircraft Manufacturing and Services | - | - | - | - | - | - |
| 3606(h)-Nonsectarian Textbooks | - | - | - | - | - | - |
| 3606(i)-Motion Picture Exhibitors | - | - | - | - | - | - |
| 3606(j)-Employee Meals | - | - | - | - | - | - |
| 3606(k)-Non-resident Vehicle Purchases | - | - | - | - | - | - |
| 3606(l)-Isolated Sales | - | - | - | - | - | - |
| 3606(m)-Component Exemption | - | - | - | - | - | - |
| 3606(n)-Consumed Production Items | - | - | - | - | - | - |
| 3606(o)-Livestock | - | - | - | - | - | - |
| 3606(p)-Prescription Drugs | - | - | - | - | - | - |
| 3606(q)-Insulin | - | - | - | - | - | - |
| 3606(r)-Doctor Prescribed Items | - | - | - | - | - | - |
| 3606(s)-Groundwater Districts | - | - | - | - | - | - |
| 3606(t)-Farm Equipment and Machinery | - | - | - | - | - | - |
| 3606(u)-Mobile Homes | - | - | - | - | - | - |
| 3606(v)-Food Providing Entities | - | - | - | - | - | - |
| 3606(w)-Residential and Agricultural Utilities | - | - | - | - | - | - |
| 3606(x)-Alternative Fuel Sources | - | - | - | - | - | - |
| 3606(y)-Railroad Rolling Stock | - | - | - | - | - | - |
| 3606(z)-Port Authority | - | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | - | - | - | - | - | - |
| 3606(cc)-Enterprise Zones | - | - | - | - | - | - |
| 3606(dd)-Food Stamp Purchases | - | - | - | - | - | - |
| 3606(ee)-Lottery Tickets | - | - | - | - | - | - |
| 3606(ff)-40% of Mobile Homes | - | - | - | - | - | - |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - | - |
| 3606(hh)-Medical Supplies | - | - | - | - | - | - |
| 3606(ii)-Girl Scout Cookies | - | - | - | - | - | - |
| 3606(jj)-Mental Health Facilities | - | - | - | - | - | - |
| 3606(kk)-Manufacturing and Processing Facilities | - | - | - | - | - | - |
| 3606(ll)-Educational Materials | - | - | - | - | - | - |
| 3606(mm)-Land Erosion Materials | - | - | - | - | - | - |
| 3606(nn)-Ad and Broadcast Stations | - | - | - | - | - | - |
| 3606(oo)-Community Action Groups | - | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | - | - | - | - | - | - |
| 3606(qq)-Nonprofit Museum Services | - | - | - | - | - | - |
| 3606(rr)-Nonprofit Annual Events | - | - | - | - | - | - |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | - | - | - |
| 3606(ww)-Habitat for Humanity | - | - | - | - | - | - |
| 3606(xx)-Zoo Memberships | - | - | - | - | - | - |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | - | - |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | - | - |
| 3606(aaa)-Religious Property | - | - | - | - | - | - |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - | - |
| Value of Exemptions | 2,428,207 | 2,296,228 | 2,379,319 | 2,641,284 | 3,094,682 | 3,435,309 |
| Theoretical Taxes | 12,714,916 | 12,023,827 | 12,458,920 | 13,830,656 | 16,204,804 | 17,988,441 |

| Fiscal Year | 1944 | 1945 | 1946 | 1947 | 1948 | 1949 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Tax Rate | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Sales Taxes | \$ 15,576,072 | \$ 17,726,887 | \$ 20,445,131 | \$ 26,259,278 | \$ 31,468,379 | \$ 34,051,313 |
| Use Taxes | 711,930 | 637,506 | 1,501,720 | 2,548,744 | 4,171,423 | 4,541,765 |
| Total Actual Taxes | \$ 16,288,002 | \$ 18,364,393 | \$ 21,946,851 | \$ 28,808,022 | \$ 35,639,802 | \$ 38,593,078 |
| Exemptions | | | | | | |
| 3602(e) | - | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 2,765 | 3,118 | 3,726 | 4,891 | 6,050 | 6,552 |
| 3603(e)-Triennial Events | - | - | - | - | - | - |
| 3603(f)-Laudromats | - | - | - | - | - | - |
| 3603(g)-Government Payments | - | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - | - |
| 3603(m)-Recreation Fees | - | - | - | - | - | - |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | - | - |
| 3603(o)-Family and Corporate Transfers | - | - | - | - | - | - |
| 3603(p)-Construction Labor Services | - | - | - | - | - | - |
| 3603(q)-Custom Computer Software | - | - | - | - | - | - |
| 3603(s)-Custom Computer Software | - | - | - | - | - | - |
| 3603(v)-Bingo Sales | - | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 1,009,800 | 1,138,529 | 1,360,630 | 1,785,999 | 2,209,546 | 2,392,639 |
| 3606(b)-Purchases by Government and Non-Profits | 2,083,927 | 2,349,585 | 2,807,934 | 3,685,769 | 4,559,843 | 4,937,693 |
| 3606(c)-Educational Institutions | - | - | - | - | - | - |
| 3606(d)-Contractor Projects | 706,348 | 796,393 | 951,751 | 1,249,293 | 1,545,561 | 1,673,634 |
| 3606(e)-Government Contractor Projects | 41,990 | 47,343 | 56,578 | 74,266 | 91,878 | 99,491 |
| 3606(f)-Railroad and Public Utility Purchases | - | - | - | - | - | - |
| 3606(g)-Aircraft Manufacturing and Services | - | - | - | - | - | - |
| 3606(h)-Nonsectarian Textbooks | - | - | - | - | - | - |
| 3606(i)-Motion Picture Exhibitors | - | - | - | - | - | - |
| 3606(j)-Employee Meals | - | - | - | - | - | - |
| 3606(k)-Non-resident Vehicle Purchases | - | - | - | - | - | - |
| 3606(l)-Isolated Sales | - | - | - | - | - | - |
| 3606(m)-Component Exemption | - | - | - | - | - | - |
| 3606(n)-Consumed Production Items | - | - | - | - | - | - |
| 3606(o)-Livestock | - | - | - | - | - | - |
| 3606(p)-Prescription Drugs | - | - | - | - | - | - |
| 3606(q)-Insulin | - | - | - | - | - | - |
| 3606(r)-Doctor Prescribed Items | - | - | - | - | - | - |
| 3606(s)-Groundwater Districts | - | - | - | - | - | - |
| 3606(t)-Farm Equipment and Machinery | - | - | - | - | - | - |
| 3606(u)-Mobile Homes | - | - | - | - | - | - |
| 3606(v)-Food Providing Entities | - | - | - | - | - | - |
| 3606(w)-Residential and Agricultural Utilities | - | - | - | - | - | - |
| 3606(x)-Alternative Fuel Sources | - | - | - | - | - | - |
| 3606(y)-Railroad Rolling Stock | - | - | - | - | - | - |
| 3606(z)-Port Authority | - | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | - | - | - | - | - | - |
| 3606(cc)-Enterprise Zones | - | - | - | - | - | - |
| 3606(dd)-Food Stamp Purchases | - | - | - | - | - | - |
| 3606(ee)-Lottery Tickets | - | - | - | - | - | - |
| 3606(ff)-40% of Mobile Homes | - | - | - | - | - | - |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - | - |
| 3606(hh)-Medical Supplies | - | - | - | - | - | - |
| 3606(ii)-Girl Scout Cookies | - | - | - | - | - | - |
| 3606(jj)-Mental Health Facilities | - | - | - | - | - | - |
| 3606(kk)-Manufacturing and Processing Facilities | - | - | - | - | - | - |
| 3606(ll)-Educational Materials | - | - | - | - | - | - |
| 3606(mm)-Land Erosion Materials | - | - | - | - | - | - |
| 3606(nn)-Ad and Broadcast Stations | - | - | - | - | - | - |
| 3606(oo)-Community Action Groups | - | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | - | - | - | - | - | - |
| 3606(qq)-Nonprofit Museum Services | - | - | - | - | - | - |
| 3606(rr)-Nonprofit Annual Events | - | - | - | - | - | - |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | - | - | - |
| 3606(ww)-Habitat for Humanity | - | - | - | - | - | - |
| 3606(xx)-Zoo Memberships | - | - | - | - | - | - |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | - | - |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | - | - |
| 3606(aaa)-Religious Property | - | - | - | - | - | - |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - | - |
| Value of Exemptions | 3,844,830 | 4,334,968 | 5,180,618 | 6,800,217 | 8,412,878 | 9,110,008 |
| Theoretical Taxes | 20,132,832 | 22,699,361 | 27,127,469 | 35,608,239 | 44,052,680 | 47,703,086 |

| Fiscal Year | 1950 | 1951 | 1952 | 1953 | 1954 |
|--|---------------|---------------|---------------|---------------|---------------|
| Tax Rate | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Sales Taxes | \$ 32,779,970 | \$ 37,427,437 | \$ 38,845,064 | \$ 40,944,377 | \$ 40,624,220 |
| Use Taxes | 4,650,360 | 5,540,808 | 5,839,000 | 6,112,517 | 6,051,375 |
| Total Actual Taxes | \$ 37,430,330 | \$ 42,968,245 | \$ 44,684,064 | \$ 47,056,894 | \$ 46,675,595 |
| Exemptions | | | | | |
| 3602(e) | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 6,354 | 7,295 | 7,586 | 7,989 | 7,924 |
| 3603(e)-Triennial Events | - | - | - | - | - |
| 3603(f)-Laudromats | - | - | - | - | - |
| 3603(g)-Government Payments | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - |
| 3603(m)-Recreation Fees | - | - | - | - | - |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | - |
| 3603(o)-Family and Corporate Transfers | - | - | - | - | - |
| 3603(p)-Construction Labor Services | - | - | - | - | - |
| 3603(q)-Custom Computer Software | - | - | - | - | - |
| 3603(s)-Custom Computer Software | - | - | - | - | - |
| 3603(v)-Bingo Sales | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 2,320,552 | 2,663,884 | 2,770,259 | 2,917,366 | 2,893,727 |
| 3606(b)-Purchases by Government and Non-Profits | 4,788,928 | 5,497,462 | 5,716,988 | 6,020,574 | 5,971,790 |
| 3606(c)-Educational Institutions | - | - | - | - | - |
| 3606(d)-Contractor Projects | 1,623,210 | 1,863,368 | 1,937,776 | 2,040,677 | 2,024,141 |
| 3606(e)-Government Contractor Projects | 96,494 | 110,770 | 115,193 | 121,310 | 120,327 |
| 3606(f)-Railroad and Public Utility Purchases | - | - | - | - | - |
| 3606(g)-Aircraft Manufacturing and Services | 16,310 | 18,723 | 19,470 | 20,504 | 20,338 |
| 3606(h)-Nonsectarian Textbooks | - | - | - | - | - |
| 3606(i)-Motion Picture Exhibitors | - | - | - | - | - |
| 3606(j)-Employee Meals | - | - | - | - | - |
| 3606(k)-Non-resident Vehicle Purchases | - | - | - | - | - |
| 3606(l)-Isolated Sales | - | - | - | - | - |
| 3606(m)-Component Exemption | - | - | - | - | - |
| 3606(n)-Consumed Production Items | - | - | - | - | - |
| 3606(o)-Livestock | - | - | - | - | - |
| 3606(p)-Prescription Drugs | - | - | - | - | - |
| 3606(q)-Insulin | - | - | - | - | - |
| 3606(r)-Doctor Prescribed Items | - | - | - | - | - |
| 3606(s)-Groundwater Districts | - | - | - | - | - |
| 3606(t)-Farm Equipment and Machinery | - | - | - | - | - |
| 3606(u)-Mobile Homes | - | - | - | - | - |
| 3606(v)-Food Providing Entities | - | - | - | - | - |
| 3606(w)-Residential and Agricultural Utilities | - | - | - | - | - |
| 3606(x)-Alternative Fuel Sources | - | - | - | - | - |
| 3606(y)-Railroad Rolling Stock | - | - | - | - | - |
| 3606(z)-Port Authority | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | - | - | - | - | - |
| 3606(cc)-Enterprise Zones | - | - | - | - | - |
| 3606(dd)-Food Stamp Purchases | - | - | - | - | - |
| 3606(ee)-Lottery Tickets | - | - | - | - | - |
| 3606(ff)-40% of Mobile Homes | - | - | - | - | - |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - |
| 3606(hh)-Medical Supplies | - | - | - | - | - |
| 3606(ii)-Girl Scout Cookies | - | - | - | - | - |
| 3606(jj)-Mental Health Facilities | - | - | - | - | - |
| 3606(kk)-Manufacturing and Processing Facilities | - | - | - | - | - |
| 3606(ll)-Educational Materials | - | - | - | - | - |
| 3606(mm)-Land Erosion Materials | - | - | - | - | - |
| 3606(nn)-Ad and Broadcast Stations | - | - | - | - | - |
| 3606(oo)-Community Action Groups | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | - | - | - | - | - |
| 3606(qq)-Nonprofit Museum Services | - | - | - | - | - |
| 3606(rr)-Nonprofit Annual Events | - | - | - | - | - |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | - | - |
| 3606(ww)-Habitat for Humanity | - | - | - | - | - |
| 3606(xx)-Zoo Memberships | - | - | - | - | - |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | - |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | - |
| 3606(aaa)-Religious Property | - | - | - | - | - |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - |
| Value of Exemptions | 8,851,847 | 10,161,501 | 10,567,273 | 11,128,420 | 11,038,248 |
| Theoretical Taxes | 46,282,177 | 53,129,746 | 55,251,337 | 58,185,314 | 57,713,843 |

| Fiscal Year | 1955 | 1956 | 1957 | 1958 | 1959 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Tax Rate | 2.00% | 2.00% | 2.00% | 2.00% | 2.50% |
| Sales Taxes | \$ 43,833,867 | \$ 44,813,557 | \$ 44,731,891 | \$ 47,841,764 | \$ 63,421,976 |
| Use Taxes | 6,668,582 | 6,771,542 | 6,536,625 | 6,408,237 | 8,600,033 |
| Total Actual Taxes | \$ 50,502,449 | \$ 51,585,099 | \$ 51,268,516 | \$ 54,250,001 | \$ 72,022,009 |
| Exemptions | | | | | |
| 3602(e) | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 8,574 | 8,757 | 8,704 | 9,210 | 12,227 |
| 3603(e)-Triennial Events | - | - | - | - | - |
| 3603(f)-Laudromats | - | - | - | - | - |
| 3603(g)-Government Payments | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - |
| 3603(m)-Recreation Fees | - | - | - | - | - |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | - |
| 3603(o)-Family and Corporate Transfers | - | - | - | - | - |
| 3603(p)-Construction Labor Services | - | - | - | - | - |
| 3603(q)-Custom Computer Software | - | - | - | - | - |
| 3603(s)-Custom Computer Software | - | - | - | - | - |
| 3603(v)-Bingo Sales | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 3,130,979 | 3,198,099 | 3,178,472 | 3,363,314 | 4,465,118 |
| 3606(b)-Purchases by Government and Non-Profits | 6,461,407 | 6,599,923 | 6,559,419 | 6,940,878 | 9,214,672 |
| 3606(c)-Educational Institutions | - | - | - | - | - |
| 3606(d)-Contractor Projects | 2,190,097 | 2,237,048 | 2,223,319 | 2,352,614 | 3,123,318 |
| 3606(e)-Government Contractor Projects | 130,193 | 132,984 | 132,168 | 139,854 | 185,669 |
| 3606(f)-Railroad and Public Utility Purchases | - | - | - | - | - |
| 3606(g)-Aircraft Manufacturing and Services | 22,006 | 22,478 | 22,340 | 23,639 | 31,383 |
| 3606(h)-Nonsectarian Textbooks | - | - | - | - | - |
| 3606(i)-Motion Picture Exhibitors | - | - | - | - | - |
| 3606(j)-Employee Meals | - | - | - | - | - |
| 3606(k)-Non-resident Vehicle Purchases | - | - | - | - | - |
| 3606(l)-Isolated Sales | - | - | - | - | - |
| 3606(m)-Component Exemption | - | - | - | - | - |
| 3606(n)-Consumed Production Items | - | - | - | - | - |
| 3606(o)-Livestock | - | - | - | - | - |
| 3606(p)-Prescription Drugs | - | - | - | - | - |
| 3606(q)-Insulin | - | - | - | - | - |
| 3606(r)-Doctor Prescribed Items | - | - | - | - | - |
| 3606(s)-Groundwater Districts | - | - | - | - | - |
| 3606(t)-Farm Equipment and Machinery | - | - | - | - | - |
| 3606(u)-Mobile Homes | - | - | - | - | - |
| 3606(v)-Food Providing Entities | - | - | - | - | - |
| 3606(w)-Residential and Agricultural Utilities | - | - | - | - | - |
| 3606(x)-Alternative Fuel Sources | - | - | - | - | - |
| 3606(y)-Railroad Rolling Stock | - | - | - | - | - |
| 3606(z)-Port Authority | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | - | - | - | - | - |
| 3606(cc)-Enterprise Zones | - | - | - | - | - |
| 3606(dd)-Food Stamp Purchases | - | - | - | - | - |
| 3606(ee)-Lottery Tickets | - | - | - | - | - |
| 3606(ff)-40% of Mobile Homes | - | - | - | - | - |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - |
| 3606(hh)-Medical Supplies | - | - | - | - | - |
| 3606(ii)-Girl Scout Cookies | - | - | - | - | - |
| 3606(jj)-Mental Health Facilities | - | - | - | - | - |
| 3606(kk)-Manufacturing and Processing Facilities | - | - | - | - | - |
| 3606(ll)-Educational Materials | - | - | - | - | - |
| 3606(mm)-Land Erosion Materials | - | - | - | - | - |
| 3606(nn)-Ad and Broadcast Stations | - | - | - | - | - |
| 3606(oo)-Community Action Groups | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | - | - | - | - | - |
| 3606(qq)-Nonprofit Museum Services | - | - | - | - | - |
| 3606(rr)-Nonprofit Annual Events | - | - | - | - | - |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | - | - |
| 3606(ww)-Habitat for Humanity | - | - | - | - | - |
| 3606(xx)-Zoo Memberships | - | - | - | - | - |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | - |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | - |
| 3606(aaa)-Religious Property | - | - | - | - | - |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - |
| Value of Exemptions | 11,943,255 | 12,199,289 | 12,124,421 | 12,829,508 | 17,032,386 |
| Theoretical Taxes | 62,445,704 | 63,784,388 | 63,392,937 | 67,079,509 | 89,054,395 |

| Fiscal Year | 1960 | 1961 | 1962 | 1963 | 1964 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Tax Rate | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Sales Taxes | \$ 64,503,026 | \$ 66,146,562 | \$ 70,552,544 | \$ 73,899,456 | \$ 76,057,484 |
| Use Taxes | 8,845,960 | 9,681,545 | 9,212,638 | 10,433,771 | 10,083,000 |
| Total Actual Taxes | \$ 73,348,986 | \$ 75,828,107 | \$ 79,765,182 | \$ 84,333,227 | \$ 86,140,484 |
| Exemptions | | | | | |
| 3602(e) | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 12,452 | 12,873 | 13,542 | 14,317 | 14,624 |
| 3603(e)-Triennial Events | - | - | - | - | - |
| 3603(f)-Laudromats | - | - | - | - | - |
| 3603(g)-Government Payments | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - |
| 3603(m)-Recreation Fees | - | - | - | - | - |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | - |
| 3603(o)-Family and Corporate Transfers | - | - | - | - | - |
| 3603(p)-Construction Labor Services | - | - | - | - | - |
| 3603(q)-Custom Computer Software | - | - | - | - | - |
| 3603(s)-Custom Computer Software | - | - | - | - | - |
| 3603(v)-Bingo Sales | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 4,547,386 | 4,701,083 | 4,945,168 | 5,228,371 | 5,340,415 |
| 3606(b)-Purchases by Government and Non-Profits | 9,384,448 | 9,701,633 | 10,205,352 | 10,789,799 | 11,021,024 |
| 3606(c)-Educational Institutions | - | - | - | - | - |
| 3606(d)-Contractor Projects | 3,180,864 | 3,288,374 | 3,459,110 | 3,657,208 | 3,735,582 |
| 3606(e)-Government Contractor Projects | 189,090 | 195,481 | 205,631 | 217,407 | 222,066 |
| 3606(f)-Railroad and Public Utility Purchases | - | - | - | - | 557,873 |
| 3606(g)-Aircraft Manufacturing and Services | 31,961 | 33,041 | 34,757 | 36,747 | 37,535 |
| 3606(h)-Nonsectarian Textbooks | - | - | - | - | 83,410 |
| 3606(i)-Motion Picture Exhibitors | - | - | - | - | - |
| 3606(j)-Employee Meals | - | - | - | - | - |
| 3606(k)-Non-resident Vehicle Purchases | - | - | - | - | 605,428 |
| 3606(l)-Isolated Sales | - | - | - | - | - |
| 3606(m)-Component Exemption | - | - | - | - | - |
| 3606(n)-Consumed Production Items | - | - | - | - | - |
| 3606(o)-Livestock | - | - | - | - | - |
| 3606(p)-Prescription Drugs | - | - | - | - | - |
| 3606(q)-Insulin | - | - | - | - | - |
| 3606(r)-Doctor Prescribed Items | - | - | - | - | - |
| 3606(s)-Groundwater Districts | - | - | - | - | - |
| 3606(t)-Farm Equipment and Machinery | - | - | - | - | - |
| 3606(u)-Mobile Homes | - | - | - | - | - |
| 3606(v)-Food Providing Entities | - | - | - | - | - |
| 3606(w)-Residential and Agricultural Utilities | - | - | - | - | - |
| 3606(x)-Alternative Fuel Sources | - | - | - | - | - |
| 3606(y)-Railroad Rolling Stock | - | - | - | - | - |
| 3606(z)-Port Authority | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | - | - | - | - | - |
| 3606(cc)-Enterprise Zones | - | - | - | - | - |
| 3606(dd)-Food Stamp Purchases | - | - | - | - | - |
| 3606(ee)-Lottery Tickets | - | - | - | - | - |
| 3606(ff)-40% of Mobile Homes | - | - | - | - | - |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - |
| 3606(hh)-Medical Supplies | - | - | - | - | - |
| 3606(ii)-Girl Scout Cookies | - | - | - | - | - |
| 3606(jj)-Mental Health Facilities | - | - | - | - | - |
| 3606(kk)-Manufacturing and Processing Facilities | - | - | - | - | - |
| 3606(ll)-Educational Materials | - | - | - | - | - |
| 3606(mm)-Land Erosion Materials | - | - | - | - | - |
| 3606(nn)-Ad and Broadcast Stations | - | - | - | - | - |
| 3606(oo)-Community Action Groups | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | - | - | - | - | - |
| 3606(qq)-Nonprofit Museum Services | - | - | - | - | - |
| 3606(rr)-Nonprofit Annual Events | - | - | - | - | - |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | - | - |
| 3606(ww)-Habitat for Humanity | - | - | - | - | - |
| 3606(xx)-Zoo Memberships | - | - | - | - | - |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | - |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | - |
| 3606(aaa)-Religious Property | - | - | - | - | - |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - |
| Value of Exemptions | 17,346,201 | 17,932,485 | 18,863,559 | 19,943,849 | 21,617,956 |
| Theoretical Taxes | 90,695,187 | 93,760,592 | 98,628,741 | 104,277,076 | 107,758,440 |

| Fiscal Year | 1965 | 1966 | 1967 | 1968 | 1969 |
|--|---------------|----------------|----------------|----------------|----------------|
| Tax Rate | 2.50% | 3.00% | 3.00% | 3.00% | 3.00% |
| Sales Taxes | \$ 79,559,034 | \$ 99,312,280 | \$ 103,051,654 | \$ 109,308,978 | \$ 119,060,960 |
| Use Taxes | 11,149,471 | 14,087,527 | 15,057,839 | 17,241,228 | 18,261,660 |
| Total Actual Taxes | \$ 90,708,505 | \$ 113,399,807 | \$ 118,109,493 | \$ 126,550,206 | \$ 137,322,620 |
| Exemptions | | | | | |
| 3602(e) | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 15,399 | 19,252 | 20,051 | 21,484 | 23,313 |
| 3603(e)-Triennial Events | - | - | - | - | - |
| 3603(f)-Laudromats | - | - | - | - | - |
| 3603(g)-Government Payments | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - |
| 3603(m)-Recreation Fees | - | - | - | - | - |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | - |
| 3603(o)-Family and Corporate Transfers | - | - | - | - | - |
| 3603(p)-Construction Labor Services | - | - | - | - | - |
| 3603(q)-Custom Computer Software | - | - | - | - | - |
| 3603(s)-Custom Computer Software | - | - | - | - | - |
| 3603(v)-Bingo Sales | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 5,623,616 | 7,030,399 | 7,322,384 | 7,845,679 | 8,513,532 |
| 3606(b)-Purchases by Government and Non-Profits | 11,605,467 | 14,508,648 | 15,111,217 | 16,191,142 | 17,569,391 |
| 3606(c)-Educational Institutions | - | - | - | - | - |
| 3606(d)-Contractor Projects | 3,933,880 | 4,917,714 | 5,121,955 | 5,487,997 | 5,955,155 |
| 3606(e)-Government Contractor Projects | 233,842 | 292,339 | 304,480 | 326,240 | 354,011 |
| 3606(f)-Railroad and Public Utility Purchases | 587,457 | 734,413 | 764,914 | 819,579 | 889,345 |
| 3606(g)-Aircraft Manufacturing and Services | 39,525 | 49,412 | 51,465 | 55,143 | 59,836 |
| 3606(h)-Nonsectarian Textbooks | 87,833 | 109,805 | 114,366 | 122,539 | 132,970 |
| 3606(i)-Motion Picture Exhibitors | - | 276,724 | 288,217 | 308,814 | 335,102 |
| 3606(j)-Employee Meals | - | 185,386 | 193,085 | 206,884 | 224,495 |
| 3606(k)-Non-resident Vehicle Purchases | 637,533 | 797,016 | 830,118 | 889,442 | 965,155 |
| 3606(l)-Isolated Sales | - | - | - | - | - |
| 3606(m)-Component Exemption | - | - | - | - | - |
| 3606(n)-Consumed Production Items | - | - | - | - | - |
| 3606(o)-Livestock | - | - | - | - | - |
| 3606(p)-Prescription Drugs | - | - | - | - | - |
| 3606(q)-Insulin | - | - | - | - | - |
| 3606(r)-Doctor Prescribed Items | - | - | - | - | - |
| 3606(s)-Groundwater Districts | - | - | - | - | - |
| 3606(t)-Farm Equipment and Machinery | - | - | - | - | - |
| 3606(u)-Mobile Homes | - | - | - | - | - |
| 3606(v)-Food Providing Entities | - | - | - | - | - |
| 3606(w)-Residential and Agricultural Utilities | - | - | - | - | - |
| 3606(x)-Alternative Fuel Sources | - | - | - | - | - |
| 3606(y)-Railroad Rolling Stock | - | - | - | - | - |
| 3606(z)-Port Authority | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | - | - | - | - | - |
| 3606(cc)-Enterprise Zones | - | - | - | - | - |
| 3606(dd)-Food Stamp Purchases | - | - | - | - | - |
| 3606(ee)-Lottery Tickets | - | - | - | - | - |
| 3606(ff)-40% of Mobile Homes | - | - | - | - | - |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - |
| 3606(hh)-Medical Supplies | - | - | - | - | - |
| 3606(ii)-Girl Scout Cookies | - | - | - | - | - |
| 3606(jj)-Mental Health Facilities | - | - | - | - | - |
| 3606(kk)-Manufacturing and Processing Facilities | - | - | - | - | - |
| 3606(ll)-Educational Materials | - | - | - | - | - |
| 3606(mm)-Land Erosion Materials | - | - | - | - | - |
| 3606(nn)-Ad and Broadcast Stations | - | - | - | - | - |
| 3606(oo)-Community Action Groups | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | - | - | - | - | - |
| 3606(qq)-Nonprofit Museum Services | - | - | - | - | - |
| 3606(rr)-Nonprofit Annual Events | - | - | - | - | - |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | - | - |
| 3606(ww)-Habitat for Humanity | - | - | - | - | - |
| 3606(xx)-Zoo Memberships | - | - | - | - | - |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | - |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | - |
| 3606(aaa)-Religious Property | - | - | - | - | - |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - |
| Value of Exemptions | 22,764,354 | 28,921,109 | 30,122,252 | 32,274,943 | 35,022,304 |
| Theoretical Taxes | 113,472,859 | 142,320,916 | 148,231,745 | 158,825,149 | 172,344,924 |

| Fiscal Year | 1970 | 1971 | 1972 | 1973 | 1974 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Tax Rate | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Sales Taxes | \$ 127,203,314 | \$ 139,149,000 | \$ 159,092,000 | \$ 177,835,000 | \$ 208,091,000 |
| Use Taxes | 18,153,021 | 19,244,000 | 20,396,000 | 21,759,000 | 26,551,000 |
| Total Actual Taxes | \$ 145,356,335 | \$ 158,393,000 | \$ 179,488,000 | \$ 199,594,000 | \$ 234,642,000 |
| Exemptions | | | | | |
| 3602(e) | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 24,677 | 26,890 | 30,471 | 33,885 | 39,835 |
| 3603(e)-Triennial Events | - | - | - | - | - |
| 3603(f)-Laudromats | - | - | 27,424 | 30,496 | 35,851 |
| 3603(g)-Government Payments | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - |
| 3603(m)-Recreation Fees | - | - | - | - | - |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | - |
| 3603(o)-Family and Corporate Transfers | - | - | - | - | - |
| 3603(p)-Construction Labor Services | - | 3,298,504 | 3,737,804 | 4,156,508 | 4,886,376 |
| 3603(q)-Custom Computer Software | - | - | - | - | - |
| 3603(s)-Custom Computer Software | - | - | - | - | - |
| 3603(v)-Bingo Sales | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 9,011,595 | 9,819,823 | 11,127,641 | 12,374,144 | 14,547,000 |
| 3606(b)-Purchases by Government and Non-Profits | 18,597,244 | 20,265,187 | 22,964,133 | 25,536,543 | 30,020,670 |
| 3606(c)-Educational Institutions | - | 3,628,355 | 4,111,584 | 4,572,158 | 5,375,013 |
| 3606(d)-Contractor Projects | 6,303,546 | 6,868,897 | 7,783,706 | 8,655,626 | 10,175,523 |
| 3606(e)-Government Contractor Projects | 374,721 | 408,329 | 462,711 | 514,544 | 604,896 |
| 3606(f)-Railroad and Public Utility Purchases | 941,373 | 1,025,803 | 1,162,421 | 1,292,634 | 1,519,616 |
| 3606(g)-Aircraft Manufacturing and Services | 63,337 | 69,018 | 78,209 | 86,970 | 102,242 |
| 3606(h)-Nonsectarian Textbooks | 140,749 | 153,372 | 173,799 | 193,268 | 227,205 |
| 3606(i)-Motion Picture Exhibitors | 354,706 | 386,519 | 437,996 | 487,059 | 572,585 |
| 3606(j)-Employee Meals | 237,628 | 258,941 | 293,427 | 326,296 | 383,592 |
| 3606(k)-Non-resident Vehicle Purchases | 1,021,619 | 1,113,245 | 1,261,509 | 1,402,821 | 1,649,152 |
| 3606(l)-Isolated Sales | - | - | - | - | - |
| 3606(m)-Component Exemption | - | 148,472,539 | 168,246,318 | 187,093,040 | 219,945,916 |
| 3606(n)-Consumed Production Items | - | 19,480,298 | 22,074,711 | 24,547,490 | 28,857,943 |
| 3606(o)-Livestock | - | 10,556,808 | 11,962,778 | 13,302,832 | 15,638,762 |
| 3606(p)-Prescription Drugs | - | - | - | - | - |
| 3606(q)-Insulin | - | - | - | - | - |
| 3606(r)-Doctor Prescribed Items | - | - | - | - | - |
| 3606(s)-Groundwater Districts | - | - | - | - | - |
| 3606(t)-Farm Equipment and Machinery | - | - | - | - | - |
| 3606(u)-Mobile Homes | - | - | - | - | - |
| 3606(v)-Food Providing Entities | - | - | - | - | - |
| 3606(w)-Residential and Agricultural Utilities | - | - | - | - | - |
| 3606(x)-Alternative Fuel Sources | - | - | - | - | - |
| 3606(y)-Railroad Rolling Stock | - | - | - | - | - |
| 3606(z)-Port Authority | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | - | - | - | - | - |
| 3606(cc)-Enterprise Zones | - | - | - | - | - |
| 3606(dd)-Food Stamp Purchases | - | - | - | - | - |
| 3606(ee)-Lottery Tickets | - | - | - | - | - |
| 3606(ff)-40% of Mobile Homes | - | - | - | - | - |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - |
| 3606(hh)-Medical Supplies | - | - | - | - | - |
| 3606(ii)-Girl Scout Cookies | - | - | - | - | - |
| 3606(jj)-Mental Health Facilities | - | - | - | - | - |
| 3606(kk)-Manufacturing and Processing Facilities | - | - | - | - | - |
| 3606(ll)-Educational Materials | - | - | - | - | - |
| 3606(mm)-Land Erosion Materials | - | - | - | - | - |
| 3606(nn)-Ad and Broadcast Stations | - | - | - | - | - |
| 3606(oo)-Community Action Groups | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | - | - | - | - | - |
| 3606(qq)-Nonprofit Museum Services | - | - | - | - | - |
| 3606(rr)-Nonprofit Annual Events | - | - | - | - | - |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | - | - |
| 3606(ww)-Habitat for Humanity | - | - | - | - | - |
| 3606(xx)-Zoo Memberships | - | - | - | - | - |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | - |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | - |
| 3606(aaa)-Religious Property | - | - | - | - | - |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - |
| Value of Exemptions | 37,071,196 | 225,832,528 | 255,936,642 | 284,606,315 | 334,582,176 |
| Theoretical Taxes | 182,427,531 | 384,225,528 | 435,424,642 | 484,200,315 | 569,224,176 |

| Fiscal Year | 1975 | 1976 | 1977 | 1978 | 1979 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Tax Rate | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Sales Taxes | \$ 230,437,327 | \$ 265,167,087 | \$ 286,337,751 | \$ 304,819,197 | \$ 345,607,134 |
| Use Taxes | 33,088,454 | 34,887,259 | 39,912,879 | 43,959,059 | 53,491,837 |
| Total Actual Taxes | \$ 263,525,781 | \$ 300,054,346 | \$ 326,250,630 | \$ 348,778,256 | \$ 399,098,971 |
| Exemptions | | | | | |
| 3602(e) | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 44,738 | 50,939 | 55,387 | 59,211 | 67,754 |
| 3603(e)-Triennial Events | - | - | - | - | - |
| 3603(f)-Laudromats | 40,264 | 45,846 | 49,848 | 53,290 | 60,979 |
| 3603(g)-Government Payments | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - |
| 3603(m)-Recreation Fees | - | - | - | - | - |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | - |
| 3603(o)-Family and Corporate Transfers | - | - | - | - | - |
| 3603(p)-Construction Labor Services | 5,487,875 | 6,248,575 | 6,794,108 | 7,263,242 | 8,311,161 |
| 3603(q)-Custom Computer Software | - | - | - | - | - |
| 3603(s)-Custom Computer Software | - | - | - | - | - |
| 3603(v)-Bingo Sales | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 16,337,895 | 18,602,341 | 20,226,421 | 21,623,057 | 24,742,768 |
| 3606(b)-Purchases by Government and Non-Profits | 33,716,132 | 38,389,685 | 41,741,302 | 44,623,541 | 51,061,696 |
| 3606(c)-Educational Institutions | 6,036,662 | 6,873,433 | 7,473,519 | 7,989,566 | 9,142,277 |
| 3606(d)-Contractor Projects | 11,428,102 | 13,012,206 | 14,148,238 | 15,125,175 | 17,307,391 |
| 3606(e)-Government Contractor Projects | 679,356 | 773,525 | 841,058 | 899,133 | 1,028,858 |
| 3606(f)-Railroad and Public Utility Purchases | 1,706,676 | 1,943,247 | 2,112,902 | 2,258,798 | 2,584,691 |
| 3606(g)-Aircraft Manufacturing and Services | 114,828 | 130,745 | 142,159 | 151,975 | 173,902 |
| 3606(h)-Nonsectarian Textbooks | 255,173 | 290,544 | 315,910 | 337,723 | 386,449 |
| 3606(i)-Motion Picture Exhibitors | 643,069 | 732,208 | 796,133 | 851,106 | 973,901 |
| 3606(j)-Employee Meals | 430,811 | 490,528 | 533,354 | 570,182 | 652,446 |
| 3606(k)-Non-resident Vehicle Purchases | 1,852,158 | 2,108,894 | 2,293,011 | 2,451,344 | 2,805,017 |
| 3606(l)-Isolated Sales | - | - | - | - | - |
| 3606(m)-Component Exemption | 247,020,650 | 281,261,360 | 305,816,920 | 326,933,597 | 374,102,628 |
| 3606(n)-Consumed Production Items | 32,410,276 | 36,902,819 | 40,124,624 | 42,895,232 | 49,084,031 |
| 3606(o)-Livestock | 17,563,851 | 19,998,460 | 21,744,428 | 23,245,882 | 26,599,731 |
| 3606(p)-Prescription Drugs | - | - | - | 7,116,310 | 8,143,031 |
| 3606(q)-Insulin | - | - | - | 78,948 | 90,339 |
| 3606(r)-Doctor Prescribed Items | - | - | - | 1,089,486 | 1,246,674 |
| 3606(s)-Groundwater Districts | - | - | - | 6,140 | 7,026 |
| 3606(t)-Farm Equipment and Machinery | - | - | - | - | 12,050,180 |
| 3606(u)-Mobile Homes | - | - | - | - | 121,204 |
| 3606(v)-Food Providing Entities | - | - | - | - | 138,017 |
| 3606(w)-Residentia and Agricultural Utilities | - | - | - | - | - |
| 3606(x)-Alternative Fuel Sources | - | - | - | - | - |
| 3606(y)-Railroad Rolling Stock | - | - | - | - | - |
| 3606(z)-Port Authority | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | - | - | - | - | - |
| 3606(cc)-Enterprise Zones | - | - | - | - | - |
| 3606(dd)-Food Stamp Purchases | - | - | - | - | - |
| 3606(ee)-Lottery Tickets | - | - | - | - | - |
| 3606(ff)-40% of Mobile Homes | - | - | - | - | - |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - |
| 3606(hh)-Medical Supplies | - | - | - | - | - |
| 3606(ii)-Girl Scout Cookies | - | - | - | - | - |
| 3606(jj)-Mental Health Facilities | - | - | - | - | - |
| 3606(kk)-Manufacturing and Processing Facilities | - | - | - | - | - |
| 3606(ll)-Educational Materials | - | - | - | - | - |
| 3606(mm)-Land Erosion Materials | - | - | - | - | - |
| 3606(nn)-Ad and Broadcast Stations | - | - | - | - | - |
| 3606(oo)-Community Action Groups | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | - | - | - | - | - |
| 3606(qq)-Nonprofit Museum Services | - | - | - | - | - |
| 3606(rr)-Nonprofit Annual Events | - | - | - | - | - |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | - | - |
| 3606(ww)-Habitat for Humanity | - | - | - | - | - |
| 3606(xx)-Zoo Memberships | - | - | - | - | - |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | - |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | - |
| 3606(aaa)-Religious Property | - | - | - | - | - |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - |
| Value of Exemptions | 375,768,316 | 427,855,354 | 465,209,322 | 505,622,939 | 590,882,152 |
| Theoretical Taxes | 639,294,097 | 727,909,700 | 791,459,952 | 854,401,195 | 989,981,123 |

| Fiscal Year | 1980 | 1981 | 1982 | 1983 | 1984 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Tax Rate | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Sales Taxes | \$ 360,724,364 | \$ 388,972,639 | \$ 407,616,573 | \$ 441,140,503 | \$ 458,547,255 |
| Use Taxes | 57,671,639 | 60,239,963 | 63,144,853 | 57,815,454 | 60,359,604 |
| Total Actual Taxes | \$ 418,396,003 | \$ 449,212,602 | \$ 470,761,426 | \$ 498,955,957 | \$ 518,906,859 |
| Exemptions | | | | | |
| 3602(e) | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 71,030 | 76,262 | 79,920 | 84,707 | 88,094 |
| 3603(e)-Triennial Events | - | - | - | - | - |
| 3603(f)-Laudromats | 63,927 | 68,636 | 71,928 | 76,236 | 79,284 |
| 3603(g)-Government Payments | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - |
| 3603(m)-Recreation Fees | - | - | - | - | - |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | - |
| 3603(o)-Family and Corporate Transfers | - | - | - | - | - |
| 3603(p)-Construction Labor Services | 8,713,018 | 9,354,768 | 9,803,518 | 10,390,664 | 10,806,138 |
| 3603(q)-Custom Computer Software | - | - | - | - | - |
| 3603(s)-Custom Computer Software | - | - | - | - | - |
| 3603(v)-Bingo Sales | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 25,939,118 | 27,849,642 | 29,185,595 | 30,933,559 | 32,170,447 |
| 3606(b)-Purchases by Government and Non-Profits | 53,530,606 | 57,473,357 | 60,230,366 | 63,837,643 | 66,390,210 |
| 3606(c)-Educational Institutions | 9,584,320 | 10,290,245 | 10,783,870 | 11,429,731 | 11,886,752 |
| 3606(d)-Contractor Projects | 18,144,229 | 19,480,627 | 20,415,116 | 21,637,805 | 22,502,999 |
| 3606(e)-Government Contractor Projects | 1,078,604 | 1,158,048 | 1,213,600 | 1,286,284 | 1,337,716 |
| 3606(f)-Railroad and Public Utility Purchases | 2,709,664 | 2,909,242 | 3,048,799 | 3,231,396 | 3,360,604 |
| 3606(g)-Aircraft Manufacturing and Services | 182,310 | 195,738 | 205,128 | 217,413 | 226,107 |
| 3606(h)-Nonsectarian Textbooks | 405,134 | 434,974 | 455,840 | 483,141 | 502,459 |
| 3606(i)-Motion Picture Exhibitors | 1,020,991 | 1,096,191 | 1,148,776 | 1,217,578 | 1,266,263 |
| 3606(j)-Employee Meals | 683,993 | 734,372 | 769,600 | 815,692 | 848,308 |
| 3606(k)-Non-resident Vehicle Purchases | 2,940,644 | 3,157,234 | 3,308,687 | 3,506,849 | 3,647,072 |
| 3606(l)-Isolated Sales | - | - | - | - | - |
| 3606(m)-Component Exemption | 392,191,049 | 421,077,545 | 441,276,724 | 467,705,377 | 486,406,715 |
| 3606(n)-Consumed Production Items | 51,457,318 | 55,247,362 | 57,897,590 | 61,365,154 | 63,818,858 |
| 3606(o)-Livestock | 27,885,867 | 29,939,777 | 31,375,995 | 33,255,145 | 34,584,862 |
| 3606(p)-Prescription Drugs | 8,536,758 | 9,165,526 | 9,605,198 | 10,180,467 | 10,587,535 |
| 3606(q)-Insulin | 94,707 | 101,682 | 106,560 | 112,942 | 117,458 |
| 3606(r)-Doctor Prescribed Items | 1,306,953 | 1,403,215 | 1,470,528 | 1,558,600 | 1,620,921 |
| 3606(s)-Groundwater Districts | 7,366 | 7,909 | 8,288 | 8,784 | 9,136 |
| 3606(t)-Farm Equipment and Machinery | 12,632,824 | 13,563,284 | 14,213,918 | 15,065,208 | 15,667,595 |
| 3606(u)-Mobile Homes | 127,065 | 136,424 | 142,968 | 151,531 | 157,590 |
| 3606(v)-Food Providing Entities | 144,691 | 155,348 | 162,800 | 172,550 | 179,450 |
| 3606(w)-Residential and Agricultural Utilities | 24,941,015 | 26,778,024 | 28,062,571 | 29,743,276 | 30,932,570 |
| 3606(x)-Alternative Fuel Sources | 1,742,604 | 1,870,954 | 1,960,704 | 2,078,133 | 2,161,228 |
| 3606(y)-Railroad Rolling Stock | - | 175,402 | 183,816 | 194,825 | 202,615 |
| 3606(z)-Port Authority | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | - | - | - | - | - |
| 3606(cc)-Enterprise Zones | - | - | - | - | - |
| 3606(dd)-Food Stamp Purchases | - | - | - | - | - |
| 3606(ee)-Lottery Tickets | - | - | - | - | - |
| 3606(ff)-40% of Mobile Homes | - | - | - | - | - |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - |
| 3606(hh)-Medical Supplies | - | - | - | - | - |
| 3606(ii)-Girl Scout Cookies | - | - | - | - | - |
| 3606(jj)-Mental Health Facilities | - | - | - | - | - |
| 3606(kk)-Manufacturing and Processing Facilities | - | - | - | - | - |
| 3606(ll)-Educational Materials | - | - | - | - | - |
| 3606(mm)-Land Erosion Materials | - | - | - | - | - |
| 3606(nn)-Ad and Broadcast Stations | - | - | - | - | - |
| 3606(oo)-Community Action Groups | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | - | - | - | - | - |
| 3606(qq)-Nonprofit Museum Services | - | - | - | - | - |
| 3606(rr)-Nonprofit Annual Events | - | - | - | - | - |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | - | - |
| 3606(ww)-Habitat for Humanity | - | - | - | - | - |
| 3606(xx)-Zoo Memberships | - | - | - | - | - |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | - |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | - |
| 3606(aaa)-Religious Property | - | - | - | - | - |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - |
| Value of Exemptions | 646,135,806 | 693,901,787 | 727,188,403 | 770,740,689 | 801,558,984 |
| Theoretical Taxes | 1,064,531,809 | 1,143,114,389 | 1,197,949,829 | 1,269,696,646 | 1,320,465,843 |

| Fiscal Year | 1985 | 1986 | 1987 | 1988 | 1989 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Tax Rate | 3.00% | 3.00% | 4.00% | 4.00% | 4.00% |
| Sales Taxes | \$ 478,770,378 | \$ 489,591,676 | \$ 637,608,160 | \$ 682,869,793 | \$ 708,822,880 |
| Use Taxes | 68,163,142 | 71,126,399 | 89,369,646 | 92,761,391 | 97,406,394 |
| Total Actual Taxes | \$ 546,933,520 | \$ 560,718,075 | \$ 726,977,806 | \$ 775,631,184 | \$ 806,229,274 |
| Exemptions | | | | | |
| 3602(e) | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 92,852 | 95,192 | 123,417 | 131,677 | 136,872 |
| 3603(e)-Triennial Events | - | - | - | - | - |
| 3603(f)-Laudromats | 83,566 | 85,673 | 111,075 | 118,509 | 123,184 |
| 3603(g)-Government Payments | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - |
| 3603(m)-Recreation Fees | - | - | - | - | - |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | - |
| 3603(o)-Family and Corporate Transfers | - | - | - | - | - |
| 3603(p)-Construction Labor Services | 11,389,788 | 11,676,849 | 15,139,176 | 16,152,374 | 16,789,573 |
| 3603(q)-Custom Computer Software | - | - | - | - | - |
| 3603(s)-Custom Computer Software | - | - | - | - | 7,240,503 |
| 3603(v)-Bingo Sales | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 33,908,004 | 34,762,599 | 45,070,132 | 48,086,475 | 49,983,452 |
| 3606(b)-Purchases by Government and Non-Profits | 69,976,009 | 71,739,639 | 93,011,315 | 99,236,146 | 103,150,941 |
| 3606(c)-Educational Institutions | 12,528,767 | 12,844,534 | 16,653,094 | 17,767,611 | 18,468,531 |
| 3606(d)-Contractor Projects | 23,718,408 | 24,316,191 | 31,526,238 | 33,636,148 | 34,963,070 |
| 3606(e)-Government Contractor Projects | 1,409,968 | 1,445,504 | 1,874,113 | 1,999,539 | 2,078,419 |
| 3606(f)-Railroad and Public Utility Purchases | 3,542,114 | 3,631,387 | 4,708,138 | 5,023,232 | 5,221,395 |
| 3606(g)-Aircraft Manufacturing and Services | 238,319 | 244,325 | 316,771 | 337,971 | 351,304 |
| 3606(h)-Nonsectarian Textbooks | 529,598 | 542,945 | 703,935 | 751,046 | 780,675 |
| 3606(i)-Motion Picture Exhibitors | 1,334,655 | 1,368,293 | 1,774,008 | 1,892,734 | 1,967,401 |
| 3606(j)-Employee Meals | 894,126 | 916,661 | 1,188,462 | 1,268,000 | 1,318,022 |
| 3606(k)-Non-resident Vehicle Purchases | 3,844,053 | 3,940,936 | 5,109,472 | 5,451,426 | 5,666,481 |
| 3606(l)-Isolated Sales | - | - | - | - | - |
| 3606(m)-Component Exemption | 512,678,012 | 525,599,214 | 681,445,775 | 727,051,898 | 755,733,570 |
| 3606(n)-Consumed Production Items | 67,265,776 | 68,961,099 | 89,408,904 | 95,392,642 | 99,155,813 |
| 3606(o)-Livestock | 36,452,824 | 37,371,557 | 48,452,678 | 51,695,399 | 53,734,745 |
| 3606(p)-Prescription Drugs | 11,159,379 | 11,440,632 | 14,832,919 | 15,825,620 | 16,449,929 |
| 3606(q)-Insulin | 123,802 | 126,922 | 164,556 | 175,569 | 182,495 |
| 3606(r)-Doctor Prescribed Items | 1,708,468 | 1,751,527 | 2,270,876 | 2,422,856 | 2,518,436 |
| 3606(s)-Groundwater Districts | 9,629 | 9,872 | 12,799 | 13,655 | 14,194 |
| 3606(t)-Farm Equipment and Machinery | 16,513,817 | 16,930,020 | 21,949,977 | 23,418,991 | 24,342,854 |
| 3606(u)-Mobile Homes | 166,101 | 170,287 | 220,780 | 235,555 | 244,848 |
| 3606(v)-Food Providing Entities | 189,142 | 193,909 | 251,405 | 268,231 | 278,812 |
| 3606(w)-Residential and Agricultural Utilities | 32,603,268 | 33,424,979 | 43,335,892 | 46,236,170 | 48,060,153 |
| 3606(x)-Alternative Fuel Sources | 2,277,958 | 2,335,370 | 3,027,835 | 3,230,475 | 3,357,915 |
| 3606(y)-Railroad Rolling Stock | 213,559 | 218,941 | 283,860 | 302,857 | 314,804 |
| 3606(z)-Port Authority | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | - | 1,036,532 | 1,343,876 | 1,433,816 | 1,490,379 |
| 3606(cc)-Enterprise Zones | - | - | 20,617,529 | 21,997,368 | 22,865,148 |
| 3606(dd)-Food Stamp Purchases | - | - | 1,987,017 | 2,119,999 | 2,203,631 |
| 3606(ee)-Lottery Tickets | - | - | - | 4,755,001 | 4,942,583 |
| 3606(ff)-40% of Mobile Homes | - | - | - | 1,161,196 | 1,207,004 |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - |
| 3606(hh)-Medical Supplies | - | - | - | 336,508 | 349,783 |
| 3606(ii)-Girl Scout Cookies | - | - | - | 849,560 | 883,075 |
| 3606(jj)-Mental Health Facilities | - | - | - | 780,308 | 811,090 |
| 3606(kk)-Manufacturing and Processing Facilities | - | - | - | - | 38,930,823 |
| 3606(ll)-Educational Materials | - | - | - | - | 27,374 |
| 3606(mm)-Land Erosion Materials | - | - | - | - | 321,395 |
| 3606(nn)-Ad and Broadcast Stations | - | - | - | - | 1,416,874 |
| 3606(oo)-Community Action Groups | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | - | - | - | - | 135,351 |
| 3606(qq)-Nonprofit Museum Services | - | - | - | - | 132,816 |
| 3606(rr)-Nonprofit Annual Events | - | - | - | - | - |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | - | - |
| 3606(ww)-Habitat for Humanity | - | - | - | - | - |
| 3606(xx)-Zoo Memberships | - | - | - | - | - |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | - |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | - |
| 3606(aaa)-Religious Property | - | - | - | - | - |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - |
| Value of Exemptions | 844,851,959 | 867,181,588 | 1,146,916,024 | 1,231,556,565 | 1,328,345,718 |
| Theoretical Taxes | 1,391,785,479 | 1,427,899,663 | 1,873,893,830 | 2,007,187,749 | 2,134,574,992 |

| Fiscal Year | 1990 | 1991 | 1992 | 1993 | 1994 |
|--|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Tax Rate | 4.25% | 4.25% | 4.25% | 4.90% | 4.90% |
| Sales Taxes | \$ 731,710,703 | \$ 762,926,042 | \$ 801,200,277 | \$ 1,014,515,192 | \$ 1,103,937,308 |
| Use Taxes | 94,245,313 | 101,439,428 | 100,615,914 | 116,134,400 | 132,330,307 |
| Total Actual Taxes | \$ 825,956,016 | \$ 864,365,470 | \$ 901,816,191 | \$ 1,130,649,592 | \$ 1,236,267,615 |
| Exemptions | | | | | |
| 3602(e) | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 140,220 | 146,741 | 153,099 | 191,948 | 209,878 |
| 3603(e)-Triennial Events | - | - | - | - | - |
| 3603(f)-Laudromats | 126,198 | 132,067 | 137,789 | 172,753 | 188,890 |
| 3603(g)-Government Payments | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - |
| 3603(m)-Recreation Fees | - | - | - | - | - |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | - |
| 3603(o)-Family and Corporate Transfers | - | - | - | - | - |
| 3603(p)-Construction Labor Services | 17,200,379 | 18,000,249 | 18,780,153 | 23,545,565 | 25,745,041 |
| 3603(q)-Custom Computer Software | - | - | - | - | - |
| 3603(s)-Custom Computer Software | 7,417,663 | 7,762,607 | 8,098,941 | 10,154,025 | 11,102,549 |
| 3603(v)-Bingo Sales | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 51,206,442 | 53,587,697 | 55,909,513 | 70,096,400 | 76,644,355 |
| 3606(b)-Purchases by Government and Non-Profits | 105,674,828 | 110,589,028 | 115,380,564 | 144,658,068 | 158,171,096 |
| 3606(c)-Educational Institutions | 18,920,417 | 19,800,274 | 20,658,168 | 25,900,122 | 28,319,545 |
| 3606(d)-Contractor Projects | 35,818,543 | 37,484,213 | 39,108,307 | 49,031,934 | 53,612,182 |
| 3606(e)-Government Contractor Projects | 2,129,274 | 2,228,292 | 2,324,838 | 2,914,759 | 3,187,037 |
| 3606(f)-Railroad and Public Utility Purchases | 5,349,152 | 5,597,903 | 5,840,446 | 7,322,443 | 8,006,459 |
| 3606(g)-Aircraft Manufacturing and Services | 359,899 | 376,636 | 392,954 | 492,665 | 538,687 |
| 3606(h)-Nonsectarian Textbooks | 799,776 | 836,968 | 873,232 | 1,094,812 | 1,197,082 |
| 3606(i)-Motion Picture Exhibitors | 2,015,540 | 2,109,268 | 2,200,657 | 2,759,068 | 3,016,803 |
| 3606(j)-Employee Meals | 1,350,271 | 1,413,063 | 1,474,287 | 1,848,384 | 2,021,048 |
| 3606(k)-Non-resident Vehicle Purchases | 5,805,128 | 6,075,084 | 6,338,302 | 7,946,628 | 8,688,951 |
| 3606(l)-Isolated Sales | - | - | - | - | - |
| 3606(m)-Component Exemption | 774,224,788 | 810,228,583 | 845,333,693 | 1,059,834,814 | 1,158,837,775 |
| 3606(n)-Consumed Production Items | 101,581,948 | 106,305,816 | 110,911,772 | 139,055,332 | 152,044,988 |
| 3606(o)-Livestock | 55,049,522 | 57,609,491 | 60,105,562 | 75,357,184 | 82,396,568 |
| 3606(p)-Prescription Drugs | 16,852,424 | 17,636,113 | 18,400,240 | 23,069,251 | 25,224,232 |
| 3606(q)-Insulin | 186,961 | 195,655 | 204,132 | 255,930 | 279,837 |
| 3606(r)-Doctor Prescribed Items | 2,580,057 | 2,700,037 | 2,817,023 | 3,531,835 | 3,861,756 |
| 3606(s)-Groundwater Districts | 14,541 | 15,218 | 15,877 | 19,906 | 21,765 |
| 3606(t)-Farm Equipment and Machinery | 24,938,472 | 26,098,187 | 27,228,954 | 34,138,226 | 37,327,200 |
| 3606(u)-Mobile Homes | 250,839 | 262,504 | 273,877 | 343,373 | 375,449 |
| 3606(v)-Food Providing Entities | 285,634 | 298,917 | 311,868 | 391,004 | 427,529 |
| 3606(w)-Residential and Agricultural Utilities | 49,236,085 | 51,525,712 | 53,758,188 | 67,399,181 | 73,695,180 |
| 3606(x)-Alternative Fuel Sources | 3,440,076 | 3,600,050 | 3,756,031 | 4,709,113 | 5,149,008 |
| 3606(y)-Railroad Rolling Stock | 322,507 | 337,505 | 352,128 | 441,479 | 482,720 |
| 3606(z)-Port Authority | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | 1,526,845 | 1,597,848 | 1,667,079 | 2,090,095 | 2,285,339 |
| 3606(cc)-Enterprise Zones | 23,424,610 | 24,513,926 | 25,576,051 | 32,065,904 | 35,061,294 |
| 3606(dd)-Food Stamp Purchases | 2,257,550 | 2,362,533 | 2,464,895 | 3,090,355 | 3,379,037 |
| 3606(ee)-Lottery Tickets | 5,063,517 | 5,298,986 | 5,528,578 | 6,931,439 | 7,578,930 |
| 3606(ff)-40% of Mobile Homes | 1,236,537 | 1,294,040 | 1,350,107 | 1,692,693 | 1,850,813 |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - |
| 3606(hh)-Medical Supplies | 358,341 | 375,005 | 391,253 | 490,533 | 536,355 |
| 3606(ii)-Girl Scout Cookies | 904,682 | 946,752 | 987,773 | 1,238,417 | 1,354,102 |
| 3606(jj)-Mental Health Facilities | 830,936 | 869,577 | 907,254 | 1,137,467 | 1,243,722 |
| 3606(kk)-Manufacturing and Processing Facilities | 39,883,379 | 41,738,077 | 43,546,479 | 54,596,280 | 59,696,314 |
| 3606(ll)-Educational Materials | 28,044 | 29,348 | 30,620 | 38,390 | 41,976 |
| 3606(mm)-Land Erosion Materials | 329,258 | 344,570 | 359,499 | 450,721 | 492,825 |
| 3606(nn)-Ad and Broadcast Stations | 1,451,542 | 1,519,043 | 1,584,859 | 1,987,013 | 2,172,626 |
| 3606(oo)-Community Action Groups | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | 138,662 | 145,111 | 151,398 | 189,815 | 207,546 |
| 3606(qq)-Nonprofit Museum Services | 136,066 | 142,393 | 148,563 | 186,260 | 203,659 |
| 3606(rr)-Nonprofit Annual Events | 10,387 | 10,870 | 11,341 | 14,218 | 15,547 |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | - | - |
| 3606(ww)-Habitat for Humanity | - | - | - | - | - |
| 3606(xx)-Zoo Memberships | - | - | - | - | - |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | - |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | - |
| 3606(aaa)-Religious Property | - | - | - | - | - |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - |
| Value of Exemptions | 1,360,857,942 | 1,424,141,954 | 1,485,846,343 | 1,862,875,804 | 2,036,893,697 |
| Theoretical Taxes | 2,186,813,958 | 2,288,507,424 | 2,387,662,534 | 2,993,525,396 | 3,273,161,312 |

| Fiscal Year | 1995 | 1996 | 1997 | 1998 | 1999 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Tax Rate | 4.90% | 4.90% | 4.90% | 4.90% | 4.90% |
| Sales Taxes | \$ 1,160,715,784 | \$ 1,179,694,894 | \$ 1,235,001,146 | \$ 1,351,590,569 | \$ 1,398,527,359 |
| Use Taxes | 146,396,024 | 146,838,581 | 160,585,839 | 178,528,000 | 191,883,137 |
| Total Actual Taxes | \$ 1,307,111,808 | \$ 1,326,533,475 | \$ 1,395,586,985 | \$ 1,530,118,569 | \$ 1,590,410,496 |
| Exemptions | | | | | |
| 3602(e) | - | - | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 221,905 | 225,202 | 236,925 | 261,000 | 270,000 |
| 3603(e)-Triennial Events | 4,000 | - | - | 4,000 | - |
| 3603(f)-Laudromats | 199,715 | 202,682 | 213,233 | 235,000 | 243,000 |
| 3603(g)-Government Payments | - | - | - | - | - |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - | - | - |
| 3603(m)-Recreation Fees | 493,122 | 500,449 | 526,501 | 600,000 | 600,000 |
| 3603(n)-Humanitarian Service Dues | - | - | - | - | 221,000 |
| 3603(o)-Family and Corporate Transfers | - | 95,085 | 100,035 | 110,000 | 114,000 |
| 3603(p)-Construction Labor Services | 27,220,358 | 27,624,811 | 29,062,837 | 32,000,000 | 33,120,000 |
| 3603(q)-Custom Computer Software | - | - | - | - | - |
| 3603(s)-Custom Computer Software | 11,738,779 | 11,913,200 | 12,533,348 | 13,800,000 | 14,283,000 |
| 3603(v)-Bingo Sales | - | - | - | - | - |
| 3606(a)-Motor Fuel and Liquor Excises | 81,036,452 | 82,240,529 | 86,521,610 | 94,862,107 | 98,600,000 |
| 3606(b)-Purchases by Government and Non-Profits | 167,235,075 | 169,719,930 | 178,554,805 | 196,600,000 | 203,481,000 |
| 3606(c)-Educational Institutions | 29,942,394 | 30,387,292 | 31,969,121 | 35,200,000 | 36,432,000 |
| 3606(d)-Contractor Projects | 56,684,423 | 57,526,666 | 60,521,252 | 66,355,370 | 68,970,000 |
| 3606(e)-Government Contractor Projects | 3,369,670 | 3,419,738 | 3,597,755 | 3,944,570 | 4,100,000 |
| 3606(f)-Railroad and Public Utility Purchases | 8,465,268 | 8,591,049 | 9,038,261 | 9,909,530 | 10,300,000 |
| 3606(g)-Aircraft Manufacturing and Services | 569,556 | 578,019 | 608,108 | 670,000 | 693,000 |
| 3606(h)-Nonsectarian Textbooks | 1,265,681 | 1,284,487 | 1,351,352 | 1,481,619 | 1,540,000 |
| 3606(i)-Motion Picture Exhibitors | 3,189,680 | 3,237,074 | 3,405,582 | 3,750,000 | 3,881,000 |
| 3606(j)-Employee Meals | 2,136,864 | 2,168,614 | 2,281,503 | 2,501,435 | 2,600,000 |
| 3606(k)-Non-resident Vehicle Purchases | 9,186,871 | 9,323,374 | 9,808,707 | 10,800,000 | 11,178,000 |
| 3606(l)-Isolated Sales | - | - | - | - | - |
| 3606(m)-Component Exemption | 1,225,244,859 | 1,243,450,109 | 1,308,178,664 | 1,434,284,273 | 1,490,800,000 |
| 3606(n)-Consumed Production Items | 160,757,911 | 163,146,526 | 171,639,218 | 188,184,870 | 195,600,000 |
| 3606(o)-Livestock | 87,118,296 | 88,412,739 | 93,015,118 | 106,000,000 | 106,000,000 |
| 3606(p)-Prescription Drugs | 26,669,705 | 27,065,975 | 28,474,911 | 31,219,831 | 32,450,000 |
| 3606(q)-Insulin | 295,873 | 300,270 | 315,900 | 348,000 | 360,000 |
| 3606(r)-Doctor Prescribed Items | 4,083,054 | 4,143,722 | 4,359,426 | 4,800,000 | 4,968,000 |
| 3606(s)-Groundwater Districts | 23,012 | 23,354 | 24,570 | 27,000 | 28,000 |
| 3606(t)-Farm Equipment and Machinery | 39,466,232 | 40,052,639 | 42,137,604 | 46,199,578 | 48,020,000 |
| 3606(u)-Mobile Homes | 396,964 | 402,862 | 423,833 | 467,000 | 483,000 |
| 3606(v)-Food Providing Entities | 452,029 | 458,745 | 482,626 | 529,150 | 550,000 |
| 3606(w)-Residential and Agricultural Utilities | 77,918,275 | 79,076,020 | 83,192,371 | 91,600,000 | 94,806,000 |
| 3606(x)-Alternative Fuel Sources | 5,444,072 | 5,524,962 | 5,812,567 | 6,400,000 | 6,624,000 |
| 3606(y)-Railroad Rolling Stock | 510,382 | 517,965 | 544,928 | 600,000 | 621,000 |
| 3606(z)-Port Authority | - | - | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - | - | - |
| 3606(bb)-Manufactured Homes | 2,416,300 | 2,452,202 | 2,579,853 | 2,828,546 | 2,940,000 |
| 3606(cc)-Enterprise Zones | 37,070,479 | 37,621,289 | 39,579,688 | 43,580,000 | 45,105,000 |
| 3606(dd)-Food Stamp Purchases | 3,572,672 | 3,625,756 | 3,814,497 | 4,200,000 | 4,347,000 |
| 3606(ee)-Lottery Tickets | 8,013,239 | 8,132,304 | 8,555,636 | 9,380,381 | 9,750,000 |
| 3606(ff)-40% of Mobile Homes | 1,956,874 | 1,985,950 | 2,089,330 | 2,300,000 | 2,381,000 |
| 3606(gg)-Women, Infants, and Children Program | - | - | - | - | - |
| 3606(hh)-Medical Supplies | 567,091 | 575,517 | 605,476 | 667,000 | 690,000 |
| 3606(ii)-Girl Scout Cookies | 1,431,699 | 1,452,972 | 1,528,607 | 1,683,000 | 1,742,000 |
| 3606(jj)-Mental Health Facilities | 1,314,993 | 1,334,532 | 1,404,002 | 1,539,345 | 1,600,000 |
| 3606(kk)-Manufacturing and Processing Facilities | 63,117,205 | 64,055,030 | 67,389,453 | 74,200,000 | 76,797,000 |
| 3606(ll)-Educational Materials | 44,381 | 45,040 | 47,385 | 52,000 | 54,000 |
| 3606(mm)-Land Erosion Materials | 521,066 | 528,808 | 556,336 | 613,000 | 634,000 |
| 3606(nn)-Ad and Broadcast Stations | 2,297,129 | 2,331,260 | 2,452,616 | 2,700,000 | 2,795,000 |
| 3606(oo)-Community Action Groups | - | - | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | 219,439 | 222,700 | 234,293 | 258,000 | 267,000 |
| 3606(qq)-Nonprofit Museum Services | 215,330 | 218,530 | 229,905 | 253,000 | 262,000 |
| 3606(rr)-Nonprofit Annual Events | 16,437 | 16,682 | 17,550 | 19,242 | 20,000 |
| 3606(ss)-Public Broadcast Stations | - | - | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - | - | - |
| 3606(vv)-Nonprofit Personal Property | - | - | - | 59,000 | 61,000 |
| 3606(ww)-Habitat for Humanity | - | - | - | 74,000 | 76,000 |
| 3606(xx)-Zoo Memberships | - | - | - | - | 400,000 |
| 3606(yy)-Parent-Teacher Associations | - | - | - | - | 375,000 |
| 3606(zz)-Radio and Television Equipment | - | - | - | - | 630,000 |
| 3606(aaa)-Religious Property | - | - | - | - | 4,500,000 |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - | - | - |
| 3606(ccc)-Medical Clinics | - | - | - | - | - |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - | - | - |
| 3606(fff)-Warehouse Equipment | - | - | - | - | - |
| 3606(ggg)-Kansas Academy of Science | - | - | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - | - | - |
| Value of Exemptions | 2,154,114,810 | 2,186,212,662 | 2,300,017,297 | 2,528,150,847 | 2,627,362,000 |
| Theoretical Taxes | 3,461,226,618 | 3,512,746,137 | 3,695,604,282 | 4,058,269,416 | 4,217,772,496 |

| Fiscal Year | 2000 | 2001 | 2002 |
|--|-------------------------|-------------------------|-------------------------|
| Tax Rate | 4.90% | 4.90% | 4.90% |
| Sales Taxes | \$ 1,440,295,399 | \$ 1,423,059,270 | \$ 1,470,606,510 |
| Use Taxes | 207,676,321 | 222,253,376 | 223,562,295 |
| Total Actual Taxes | \$ 1,647,971,720 | \$ 1,645,312,646 | \$ 1,694,168,805 |
| Exemptions | | | |
| 3602(e) | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 280,000 | 292,000 | 1,058,000 |
| 3603(e)-Triennial Events | - | 4,000 | - |
| 3603(f)-Laudromats | 252,000 | 263,000 | 268,000 |
| 3603(g)-Government Payments | - | - | 87,000 |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - |
| 3603(m)-Recreation Fees | 623,000 | 648,000 | 662,000 |
| 3603(n)-Humanitarian Service Dues | 229,000 | 239,000 | 244,000 |
| 3603(o)-Family and Corporate Transfers | 118,000 | 123,000 | 153,000 |
| 3603(p)-Construction Labor Services | 34,379,000 | 35,754,000 | 66,540,000 |
| 3603(q)-Custom Computer Software | - | - | - |
| 3603(s)-Custom Computer Software | 14,826,000 | 15,419,000 | 15,766,000 |
| 3603(v)-Bingo Sales | - | - | 2,000,000 |
| 3606(a)-Motor Fuel and Liquor Excises | 102,347,000 | 106,441,000 | 170,200,000 |
| 3606(b)-Purchases by Government and Non-Profits | 211,213,000 | 219,662,000 | 242,200,000 |
| 3606(c)-Educational Institutions | 37,816,000 | 39,329,000 | 42,800,000 |
| 3606(d)-Contractor Projects | 71,591,000 | 74,454,000 | 87,070,000 |
| 3606(e)-Government Contractor Projects | 4,256,000 | 4,426,000 | 4,052,000 |
| 3606(f)-Railroad and Public Utility Purchases | 10,691,000 | 11,119,000 | 11,369,000 |
| 3606(g)-Aircraft Manufacturing and Services | 720,000 | 749,000 | 4,753,000 |
| 3606(h)-Nonsectarian Textbooks | 1,599,000 | 1,662,000 | 700,000 |
| 3606(i)-Motion Picture Exhibitors | 4,029,000 | 4,190,000 | 1,250,000 |
| 3606(j)-Employee Meals | 2,699,000 | 2,807,000 | 2,770,000 |
| 3606(k)-Non-resident Vehicle Purchases | 11,569,000 | 12,032,000 | 11,300,000 |
| 3606(l)-Isolated Sales | - | - | - |
| 3606(m)-Component Exemption | 1,547,450,000 | 1,609,348,000 | 1,645,559,000 |
| 3606(n)-Consumed Production Items | 203,033,000 | 211,154,000 | 215,905,000 |
| 3606(o)-Livestock | 106,000,000 | 110,240,000 | 121,520,000 |
| 3606(p)-Prescription Drugs | 33,683,000 | 35,030,000 | 51,500,000 |
| 3606(q)-Insulin | 374,000 | 389,000 | 398,000 |
| 3606(r)-Doctor Prescribed Items | 5,157,000 | 5,363,000 | 5,990,000 |
| 3606(s)-Groundwater Districts | 29,000 | 30,000 | 31,000 |
| 3606(t)-Farm Equipment and Machinery | 48,020,000 | 49,941,000 | 35,035,000 |
| 3606(u)-Mobile Homes | 502,000 | 522,000 | 534,000 |
| 3606(v)-Food Providing Entities | 571,000 | 594,000 | 608,000 |
| 3606(w)-Residential and Agricultural Utilities | 98,409,000 | 102,345,000 | 62,748,000 |
| 3606(x)-Alternative Fuel Sources | 6,876,000 | 7,151,000 | 11,952,000 |
| 3606(y)-Railroad Rolling Stock | 645,000 | 670,000 | 685,000 |
| 3606(z)-Port Authority | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - |
| 3606(bb)-Manufactured Homes | 3,052,000 | 3,174,000 | 3,245,000 |
| 3606(cc)-Enterprise Zones | 46,819,000 | 48,692,000 | 48,000,000 |
| 3606(dd)-Food Stamp Purchases | 4,512,000 | 4,693,000 | 5,550,000 |
| 3606(ee)-Lottery Tickets | 10,121,000 | 10,525,000 | 9,124,000 |
| 3606(ff)-40% of Mobile Homes | 2,471,000 | 2,570,000 | 2,380,000 |
| 3606(gg)-Women, Infants, and Children Program | - | - | - |
| 3606(hh)-Medical Supplies | 717,000 | 745,000 | 762,000 |
| 3606(ii)-Girl Scout Cookies | 1,808,000 | 1,880,000 | 1,923,000 |
| 3606(jj)-Mental Health Facilities | 1,661,000 | 1,727,000 | 1,766,000 |
| 3606(kk)-Manufacturing and Processing Facilities | 79,715,000 | 82,904,000 | 84,769,000 |
| 3606(ll)-Educational Materials | 56,000 | 58,000 | 59,000 |
| 3606(mm)-Land Erosion Materials | 658,000 | 684,000 | 700,000 |
| 3606(nn)-Ad and Broadcast Stations | 2,901,000 | 3,017,000 | 3,100,000 |
| 3606(oo)-Community Action Groups | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | 277,000 | 288,000 | 295,000 |
| 3606(qq)-Nonprofit Museum Services | 272,000 | 283,000 | 289,000 |
| 3606(rr)-Nonprofit Annual Events | 21,000 | 22,000 | 24,000 |
| 3606(ss)-Public Broadcast Stations | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - |
| 3606(vv)-Nonprofit Personal Property | 64,000 | 66,000 | 69,000 |
| 3606(ww)-Habitat for Humanity | 79,000 | 82,000 | 84,000 |
| 3606(xx)-Zoo Memberships | 415,000 | 432,000 | 442,000 |
| 3606(yy)-Parent-Teacher Associations | 390,000 | 406,000 | 415,000 |
| 3606(zz)-Radio and Television Equipment | 655,000 | 681,000 | 697,000 |
| 3606(aaa)-Religious Property | 4,680,000 | 4,867,000 | 12,700,000 |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - |
| 3606(ccc)-Medical Clinics | 260,000 | 270,000 | 276,000 |
| 3606(ddd)-Shortline Railroad Equipment | 250,000 | - | - |
| 3606(eee)-Grain Storage Facilities | 1,000,000 | - | - |
| 3606(fff)-Warehouse Equipment | - | - | 4,590,000 |
| 3606(ggg)-Kansas Academy of Science | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | - |
| Value of Exemptions | 2,722,840,000 | 2,830,456,000 | 2,998,966,000 |
| Theoretical Taxes | 4,370,811,720 | 4,475,768,646 | 4,693,134,805 |

| Fiscal Year | 2003 | 2004 | 2005 |
|--|------------------|------------------|------------------|
| Tax Rate | 5.30% | 5.30% | 5.30% |
| Sales Taxes | \$ 1,567,721,763 | \$ 1,612,066,627 | \$ 1,647,663,056 |
| Use Taxes | 217,156,665 | 214,503,104 | 244,754,670 |
| Total Actual Taxes | \$ 1,784,878,428 | \$ 1,826,569,731 | \$ 1,892,417,726 |
| Exemptions | | | |
| 3602(e) | - | - | - |
| 3603(b)-Wide Area Telephone Service Lines | 1,168,000 | 1,217,000 | 1,260,000 |
| 3603(e)-Triennial Events | - | 4,000 | - |
| 3603(f)-Laudromats | 296,000 | 309,000 | 320,000 |
| 3603(g)-Government Payments | 96,000 | 100,000 | 104,000 |
| 3603(h)-Industrial Revenue Bond Equipment | - | - | - |
| 3603(m)-Recreation Fees | 731,000 | 762,000 | 788,000 |
| 3603(n)-Humanitarian Service Dues | 269,000 | 281,000 | 290,000 |
| 3603(o)-Family and Corporate Transfers | 169,000 | 176,000 | 182,000 |
| 3603(p)-Construction Labor Services | 73,486,000 | 76,539,000 | 158,436,000 |
| 3603(q)-Custom Computer Software | - | - | - |
| 3603(s)-Custom Computer Software | 17,411,000 | 19,229,000 | 4,500,000 |
| 3603(v)-Bingo Sales | 2,209,000 | 2,301,000 | 2,381,000 |
| 3606(a)-Motor Fuel and Liquor Excises | 187,967,000 | 195,777,000 | 202,629,000 |
| 3606(b)-Purchases by Government and Non-Profits | 267,483,000 | 278,597,000 | 288,348,000 |
| 3606(c)-Educational Institutions | 47,268,000 | 49,232,000 | 50,955,000 |
| 3606(d)-Contractor Projects | 96,159,000 | 100,155,000 | 103,660,000 |
| 3606(e)-Government Contractor Projects | 4,475,000 | 4,661,000 | 4,824,000 |
| 3606(f)-Railroad and Public Utility Purchases | 12,556,000 | 13,078,000 | 13,535,000 |
| 3606(g)-Aircraft Manufacturing and Services | 5,249,000 | 5,467,000 | 6,359,000 |
| 3606(h)-Nonsectarian Textbooks | 773,000 | 805,000 | 833,000 |
| 3606(i)-Motion Picture Exhibitors | 1,380,000 | 1,438,000 | 1,488,000 |
| 3606(j)-Employee Meals | 3,059,000 | 3,186,000 | 3,298,000 |
| 3606(k)-Non-resident Vehicle Purchases | 12,480,000 | 12,998,000 | 13,453,000 |
| 3606(l)-Isolated Sales | - | - | - |
| 3606(m)-Component Exemption | 1,817,335,000 | 1,892,846,000 | 1,959,096,000 |
| 3606(n)-Consumed Production Items | 238,443,000 | 248,350,000 | 257,043,000 |
| 3606(o)-Livestock | 131,440,000 | 139,782,000 | 144,674,000 |
| 3606(p)-Prescription Drugs | 56,876,000 | 59,239,000 | 61,313,000 |
| 3606(q)-Insulin | 439,000 | 457,000 | 473,000 |
| 3606(r)-Doctor Prescribed Items | 6,615,000 | 6,890,000 | 7,210,000 |
| 3606(s)-Groundwater Districts | 34,000 | 35,000 | 37,000 |
| 3606(t)-Farm Equipment and Machinery | 35,035,000 | 40,300,000 | 41,710,000 |
| 3606(u)-Mobile Homes | 589,000 | 614,000 | 635,000 |
| 3606(v)-Food Providing Entities | 671,000 | 699,000 | 725,000 |
| 3606(w)-Residentia and Agricultural Utilities | 69,298,000 | 72,178,000 | 74,704,000 |
| 3606(x)-Alternative Fuel Sources | 13,200,000 | 13,748,000 | 14,229,000 |
| 3606(y)-Railroad Rolling Stock | 757,000 | 788,000 | 816,000 |
| 3606(z)-Port Authority | - | - | - |
| 3606(aa)-Pipeline Equipment Services | - | - | - |
| 3606(bb)-Manufactured Homes | 3,334,000 | 3,733,000 | 3,864,000 |
| 3606(cc)-Enterprise Zones | 53,011,000 | 55,213,000 | 57,146,000 |
| 3606(dd)-Food Stamp Purchases | 6,129,000 | 6,384,000 | 6,607,000 |
| 3606(ee)-Lottery Tickets | 10,076,000 | 11,883,000 | 12,298,000 |
| 3606(ff)-40% of Mobile Homes | 2,628,000 | 2,737,000 | 2,833,000 |
| 3606(gg)-Women, Infants, and Children Program | - | - | - |
| 3606(hh)-Medical Supplies | 842,000 | 877,000 | 907,000 |
| 3606(ii)-Girl Scout Cookies | 2,123,000 | 2,212,000 | 2,289,000 |
| 3606(jj)-Mental Health Facilities | 1,950,000 | 2,031,000 | 2,103,000 |
| 3606(kk)-Manufacturing and Processing Facilities | 93,618,000 | 97,508,000 | 100,921,000 |
| 3606(ll)-Educational Materials | 66,000 | 68,000 | 71,000 |
| 3606(mm)-Land Erosion Materials | 773,000 | 805,000 | 833,000 |
| 3606(nn)-Ad and Broadcast Stations | 3,424,000 | 3,566,000 | 3,691,000 |
| 3606(oo)-Community Action Groups | - | - | - |
| 3606(pp)-Oil Exploration Drill Bits | 326,000 | 339,000 | 351,000 |
| 3606(qq)-Nonprofit Museum Services | 319,000 | 332,000 | 344,000 |
| 3606(rr)-Nonprofit Annual Events | 27,000 | 28,000 | 29,000 |
| 3606(ss)-Public Broadcast Stations | - | - | - |
| 3606(tt)-Korean War Memorial | - | - | - |
| 3606(uu)-Volunteer Fire Fighters | - | - | - |
| 3606(vv)-Nonprofit Personal Property | 76,000 | 79,000 | 82,000 |
| 3606(ww)-Habitat for Humanity | 93,000 | 97,000 | 100,000 |
| 3606(xx)-Zoo Memberships | 488,000 | 508,000 | 526,000 |
| 3606(yy)-Parent-Teacher Associations | 458,000 | 477,000 | 494,000 |
| 3606(zz)-Radio and Television Equipment | 769,000 | 801,000 | 829,000 |
| 3606(aaa)-Religious Property | 14,026,000 | 14,609,000 | 15,120,000 |
| 3606(bbb)-Food from Nonprofit Organizations | - | - | - |
| 3606(ccc)-Medical Clinics | 305,000 | 318,000 | 329,000 |
| 3606(ddd)-Shortline Railroad Equipment | - | - | - |
| 3606(eee)-Grain Storage Facilities | - | - | - |
| 3606(fff)-Warehouse Equipment | 5,069,000 | 5,280,000 | 5,465,000 |
| 3606(ggg)-Kansas Academy of Science | - | - | - |
| 3606(hhh)-Domestic Violence Shelters | - | - | 50,000 |
| Value of Exemptions | 3,305,346,000 | 3,452,123,000 | 3,637,590,000 |
| Theoretical Taxes | 5,090,224,428 | 5,278,692,731 | 5,530,007,726 |