



This Week in State Tax (TWIST)

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Kansas: Department of Revenue Clarifies Corporate Rate Reduction

The Kansas Department of Revenue recently issued a notice (Notice 23-10) addressing the change to the corporate income tax rate that was announced in September. Recall, the Secretary of the Department of Revenue filed a notice in the Kansas Register announcing that the normal corporate income tax rate is reduced from 4 percent to 3.5 percent effective January 1, 2024. The rate reduction stems from the APEX legislation enacted in Kansas in 2022. Under this law, the corporate income tax rate is reduced by 0.5 percent for all businesses upon the commencement of a qualifying APEX Project in the state. It was unclear initially whether the rate reduction would need to be blended for fiscal year taxpayers. The Department's notice appears to confirm that the rate reduction to 3.5 percent applies effective for tax years beginning in 2024. It should be noted that the 3 percent corporate surtax rate is unchanged. Please contact Derek Love with questions.

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