

KS tax collections exceed estimates

(MSC News)--Governor Laura Kelly today announced that total tax-only collections for February were \$549.8 million. That is \$36.8 million, or 7.2%, more than the monthly estimate. Those collections were also \$47.3 million, or 9.4%, more than in February 2022.

“Revenues have exceeded estimates for 30 out of the last 31 months - a clear sign that our efforts to make Kansas a place where businesses and families want to call home is paying off,” Governor Laura Kelly said. “These revenues will continue to grow our historic budget surplus, making it possible for our legislature to pass responsible tax cuts that help every Kansan, like my ‘Axing Your Taxes’ plan.”

Consistently strong revenues were one of the reasons S&P Global improved Kansas’ credit outlook, which the firm announced yesterday. In its report, S&P cited Governor Kelly- recommended budgets for fiscal years 2023 and 2024 as indicators of continued fiscal responsibility that could lead to a credit rating upgrade and warned against irresponsible tax plans that could lead to a credit rating downgrade.

Individual income tax collections were \$211.3 million in February. That is \$6.3 million, or 3.1%, above the estimate and \$27.9 million, or 15.2%, more than February 2022.

“The positive trend in tax receipts continues with all of the major tax types, individual income tax, corporate income tax, retailer- sales tax, and compensating use tax, performing well,” Secretary of Revenue Mark Burghart said.

Corporate income tax collections were \$15.3 million, which is \$324,000, or 2.2%, more than the February 2023 estimate. Those collections are \$8.1 million, or 34.5%, less than in February 2022. It should be noted that February 2022 corporate income tax receipts were greater than February 2023 because of the higher-than-expected collection of nonrecurring corporate audit assessments that occurred that month.

Retail sales tax collections were \$203.8 million, which is \$13.8 million, or 7.3%, more than the estimate. Those collections are also \$8.5 million, or 4.4%, greater than February 2022. Compensating use tax collections were \$64.2 million, which is \$849,000, or 1.3%, less than the estimate. Those collections were \$4.7 million, or 8.0%, more than in February 2022.

