

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

---

300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

---

**MEMORANDUM**

To: Members of the House Committee on Taxation

From: Adam Siebers, Assistant Revisor

Date: March 6, 2024

Subject: House Bill No. 2796

**Summary**

House Bill No. 2796 would apportion business income for taxpayers by multiplying the business income by the sales factor. Currently most business income is apportioned under Kansas law pursuant to the three factor apportionment for business income. The three factors are: (1) property; (2) payroll; and (3) sales.

Starting with tax year 2025, business income and business income provided by the multistate tax compact will be apportioned pursuant to the sales factor.

Pursuant to K.S.A. 79-3285 - the sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period.