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KANSAS PROPERTY TAXES: A COMPARISON AMONG CITIES

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About The Center for Applied Economics

The KU School of Business established the Center for Applied Economics in February of 2004. The mission of the Center for Applied Economics is to help advance the economic development of the state and region by offering economic analysis and economic education relevant for policy makers, community leaders, and other interested citizens. The stakeholders in the Center want to increase the amount of credible economic analysis available to decision makers in both the state and region. When policy makers, community leaders, and citizens discuss issues that may have an impact on the economic development potential of the state or region, they can benefit from a wide array of perspectives. The Center focuses on the contributions that markets and economic institutions can make to economic development. Because credibility is, in part, a function of economic literacy, the Center also promotes economics education.

About the Author

Arthur P. Hall is the founding Executive Director of the Center for Applied Economics at the University of Kansas School of Business. Before joining the KU School of Business, Hall was Chief Economist in the Public Affairs group of Wichita, KS-based Koch Industries, Inc. In that capacity, he worked with business leaders to define how public policy initiatives would influence the structure of the markets in which the company participates. Koch sponsored Hall's directorship of Kansas Governor Sebelius' Budget Efficiency Savings Teams from April 2003 until his departure from the firm in February 2004.

Before joining Koch Industries in May 1997, Hall was Senior Economist at the Washington, D.C.-based Tax Foundation, where he produced quantitative and qualitative research pertaining to the economics of taxation and acted as an economic advisor to The National Commission on Economic Growth and Tax Reform. Before that, he worked as a financial economist at the U.S. General Accounting Office. Hall has taught university-level economics at both the undergraduate and MBA level. He received his doctorate in economics from the University of Georgia and his bachelor of arts in economics from Emory University.

The opinions expressed are those of the author; they should in no way be interpreted as the viewpoints of the University of Kansas (or any subunits thereof) or the Kansas Board of Regents.

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KANSAS PROPERTY TAXES: A COMPARISON AMONG CITIES

Wichita is the most populace city in Kansas. When compared to the most populace cities in the other 49 states, from 2005 to 2010, Wichita has lowered its relative business property tax burden but increased its relative homestead property tax burden.

Most of the Kansas cities evaluated in this report followed the same basic pattern as Wichita—relatively lower business taxes (especially on industrial properties) and relatively higher homestead property taxes. State-level changes in property tax law, enacted in 2006, explain the lower business property taxes. The law did not apply

to the calculation of homestead property taxes, so the higher relative Wichita property taxes on homes must be related to an increase in relative property tax rates in 2010 relative to 2005.

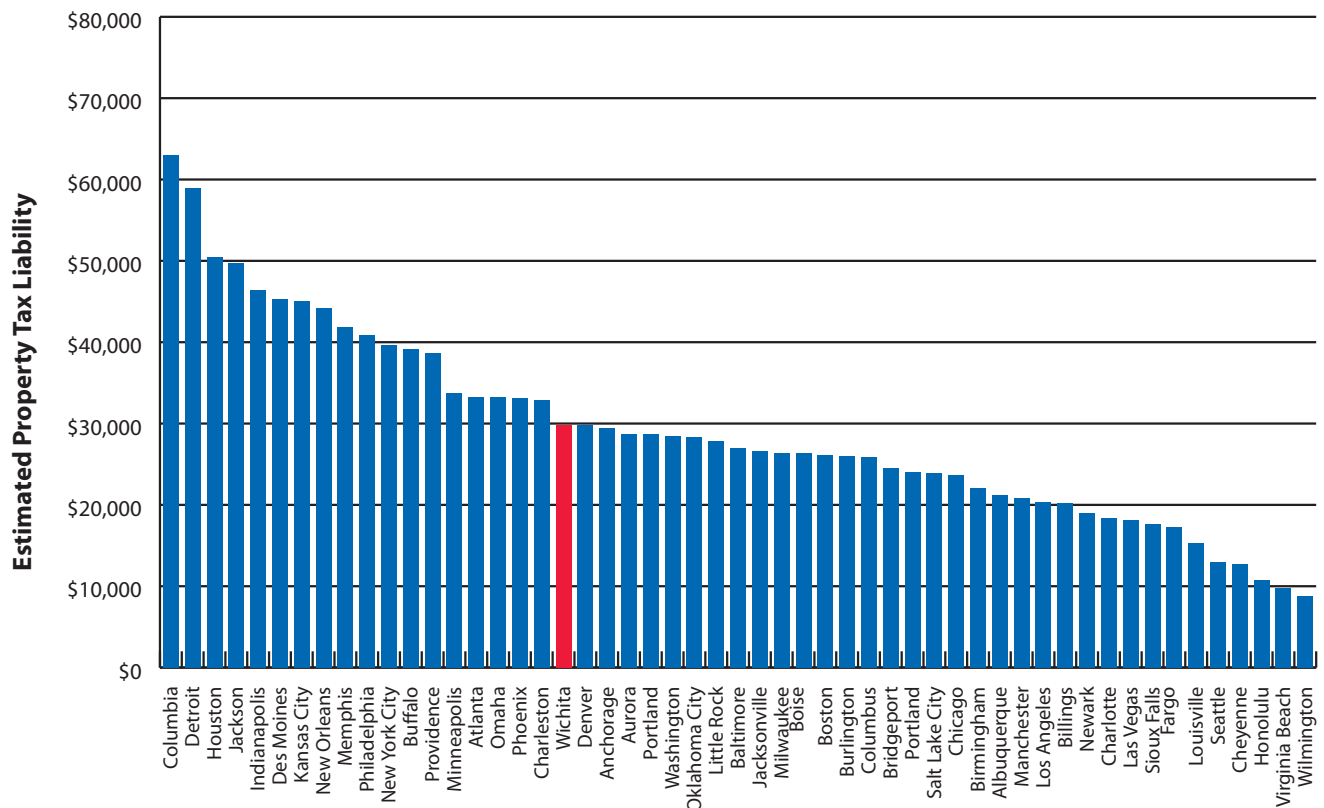
Chart 1 shows how Wichita ranked for a hypothetical industrial property. Wichita ranked 19th highest among the sample of cities for tax year 2010. Wichita ranked 11th highest in the same comparison for tax year 2005.

This report relies on the annual property tax research undertaken by the Minnesota Taxpayers Association for the inter-state comparisons.¹ However, this report

Chart 1

Estimated Property Tax Liability, Wichita Relative to Select Large Cities

Hypothetical \$1 Million Industrial Property (with \$500K Machinery/Equipment, \$400K Inventory, \$100K Fixtures)



Source: Table 1

1 Minnesota Taxpayers Association, "50-State Property Tax Comparison Study: Payable Year 2010," April 2011.

Table 1

Property Tax Liabilities and Effective Tax Rates for Select Property Types, 2010
Comparison of Select Large Cities

State - City	\$1 Million Industrial Property w/ \$500,000 Machinery/Equipment, \$400,000 of Inventory, and \$100,000 of Fixtures*			\$1 Million Commercial Property w/ \$200,000 Fixtures*			\$150,000 Homestead			Median-Value Homestead			Ratio of Effective Tax Rates on Real Property: \$1 M Commercial to \$150,000 Home		
	Tax (\$)	Tax (%)	Rank	Tax (\$)	Tax (%)	Rank	Tax (\$)	Tax (%)	Rank	Tax (\$)	Tax (%)	Median Value (\$)	Tax (%)	Ratio	Rank
	Alabama - Birmingham	22,101	1.105%	38	16,541	1.378%	39	979	0.653%	46	955	0.652%	146,500	47	2.1
Alaska - Anchorage	29,464	1.473%	21	17,320	1.443%	36	1,928	1.286%	24	4,283	1.334%	321,100	22	1.1	34
Arizona - Phoenix	33,076	1.654%	17	23,080	1.923%	23	1,123	0.749%	43	1,083	0.749%	144,700	43	2.6	10
Arkansas - Little Rock	27,876	1.394%	26	16,596	1.383%	38	1,673	1.115%	33	1,441	1.085%	132,800	33	1.2	30
California - Los Angeles	20,318	1.016%	41	15,238	1.270%	44	1,816	1.211%	27	4,227	1.244%	339,900	27	1.0	38
Colorado - Denver	29,752	1.488%	20	22,196	1.850%	25	779	0.519%	50	1,218	0.519%	234,700	52	3.5	5
Connecticut - Bridgeport	24,557	1.228%	34	24,557	2.046%	21	2,851	1.901%	10	7,972	1.901%	419,400	11	1.0	41
DC - Washington	28,425	1.421%	24	15,675	1.306%	42	646	0.431%	51	2,126	0.641%	331,900	50	3.6	4
Delaware - Wilmington	8,838	0.442%	53	8,838	0.737%	52	1,554	1.036%	35	2,313	1.036%	223,200	35	0.9	51
Florida - Jacksonville	26,676	1.334%	28	19,638	1.636%	31	1,792	1.195%	29	1,610	1.158%	139,000	30	1.4	25
Georgia - Atlanta	33,305	1.665%	15	21,199	1.767%	28	2,075	1.383%	20	1,593	1.298%	122,700	23	1.3	28
Hawaii - Honolulu	10,759	0.538%	51	10,613	0.884%	49	219	0.146%	52	1,769	0.285%	621,600	53	7.3	2
Idaho - Boise	26,348	1.317%	30	19,485	1.624%	32	1,254	0.836%	38	1,171	0.836%	140,100	38	1.9	18
Illinois - Aurora	28,718	1.436%	22	28,718	2.393%	15	3,936	2.624%	2	5,393	2.646%	203,800	2	0.8	52
Illinois - Chicago	23,671	1.184%	37	21,519	1.793%	26	1,804	1.203%	28	2,551	1.252%	203,800	26	2.4	11
Indiana - Indianapolis	46,363	2.318%	5	34,593	2.883%	7	1,478	0.985%	37	1,280	0.985%	129,900	37	2.9	7
Iowa - Des Moines	45,282	2.264%	6	45,282	3.773%	3	3,011	2.007%	9	3,145	2.013%	156,200	9	2.3	12
Kansas - Wichita	29,787	1.489%	19	30,387	2.532%	12	1,947	1.298%	23	1,582	1.291%	122,500	24	2.2	13
Kentucky - Louisville	15,347	0.767%	48	16,255	1.355%	40	1,844	1.229%	26	1,677	1.229%	136,400	28	1.0	40
Louisiana - New Orleans	44,254	2.213%	8	25,942	2.162%	19	1,145	0.763%	41	1,326	0.819%	161,900	40	2.8	8
Maine - Portland	28,672	1.434%	23	21,504	1.792%	27	2,509	1.673%	17	3,717	1.710%	217,400	16	1.1	36
Maryland - Baltimore	26,989	1.349%	27	32,659	2.722%	11	3,232	2.155%	6	5,421	2.155%	251,600	6	1.0	49
Massachusetts - Boston	26,148	1.307%	31	28,792	2.399%	14	159	0.106%	53	2,329	0.645%	360,800	49	21.7	1
Michigan - Detroit	58,977	2.949%	2	48,141	4.012%	1	4,885	3.257%	1	547	3.257%	16,807	1	1.3	29
Minnesota - Minneapolis	33,764	1.688%	14	33,764	2.814%	9	1,876	1.251%	25	2,269	1.288%	176,200	25	2.7	9
Mississippi - Jackson	49,702	2.485%	4	29,260	2.438%	13	2,067	1.378%	21	1,876	1.360%	137,900	20	1.8	21
Missouri - Kansas City	45,068	2.253%	7	34,425	2.869%	8	2,155	1.437%	19	2,164	1.437%	150,600	19	2.0	17
Montana - Billings	20,268	1.013%	42	13,440	1.120%	47	1,082	0.721%	45	1,264	0.721%	175,300	45	1.4	24
Nebraska - Omaha	33,295	1.665%	16	24,758	2.063%	20	3,073	2.049%	8	2,814	2.028%	138,800	8	1.0	44
Nevada - Las Vegas	18,116	0.906%	45	13,530	1.127%	46	1,710	1.140%	32	1,622	1.140%	142,300	32	1.0	50
New Hampshire - Manchester	20,831	1.042%	40	20,831	1.736%	29	3,125	2.083%	7	5,020	2.083%	241,000	7	1.0	44
New Jersey - Newark	18,972	0.949%	43	18,972	1.581%	33	2,846	1.897%	12	7,350	1.897%	387,400	12	1.0	44
New Mexico - Albuquerque	21,146	1.057%	39	14,928	1.244%	45	1,479	0.986%	36	1,770	0.995%	177,900	36	1.2	32
New York - New York City	39,681	1.984%	11	39,681	3.307%	5	3,330	2.220%	5	2,666	2.196%	121,400	5	1.8	20
New York - Buffalo	39,163	1.958%	12	39,163	3.264%	6	887	0.591%	49	2,598	0.660%	393,900	46	6.6	3
North Carolina - Charlotte	18,407	0.920%	44	13,218	1.102%	48	1,594	1.062%	34	2,115	1.062%	199,100	34	1.0	44
North Dakota - Fargo	17,261	0.863%	47	17,261	1.438%	37	2,357	1.571%	18	2,225	1.571%	141,600	18	1.1	35
Ohio - Columbus	25,826	1.291%	33	23,569	1.964%	22	2,736	1.824%	13	2,731	1.824%	149,700	13	1.3	27
Oklahoma - Oklahoma City	28,297	1.415%	25	15,732	1.311%	41	1,774	1.183%	30	1,773	1.183%	149,900	29	1.1	37
Oregon - Portland	24,044	1.202%	35	15,619	1.302%	43	1,711	1.141%	31	2,720	1.141%	238,500	31	1.0	44
Pennsylvania - Philadelphia	40,817	2.041%	10	40,817	3.401%	4	3,927	2.618%	3	5,843	2.618%	223,200	3	1.6	23
Rhode Island - Providence	38,692	1.935%	13	47,695	3.975%	2	2,550	1.700%	16	3,819	1.700%	224,700	17	2.2	15
South Carolina - Columbia	63,055	3.153%	1	27,678	2.307%	18	911	0.607%	48	845	0.595%	142,100	51	3.0	6
South Dakota - Sioux Falls	17,700	0.885%	46	17,700	1.475%	35	2,025	1.350%	22	1,909	1.350%	141,400	21	1.3	26
Tennessee - Memphis	41,851	2.093%	9	33,192	2.766%	10	2,706	1.804%	14	2,295	1.804%	127,200	14	1.6	22
Texas - Houston	50,485	2.524%	3	28,047	2.337%	17	2,848	1.899%	11	2,965	1.902%	155,900	10	1.2	31
Utah - Salt Lake City	23,960	1.198%	36	17,816	1.485%	34	1,211	0.808%	40	1,674	0.808%	207,300	41	1.8	19
Vermont - Burlington	25,996	1.300%	32	22,540	1.878%	24	2,626	1.750%	15	4,544	1.750%	259,600	15	1.2	33
Virginia - Virginia Beach	9,820	0.491%	52	9,650	0.804%	50	1,242	0.828%	39	1,739	0.828%	210,000	39	0.8	53
Washington - Seattle	13,011	0.651%	49	9,394	0.783%	51	1,138	0.759%	42	2,331	0.759%	307,300	42	1.0	41
West Virginia - Charleston	32,854	1.643%	18	19,712	1.643%	30	1,109	0.739%	44	976	0.739%	132,000	44	2.2	14
Wisconsin - Milwaukee	26,388	1.319%	29	28,496	2.375%	16	3,452	2.301%	4	4,659	2.327%	200,200	4	1.0	39
Wyoming - Cheyenne	12,737	0.637%	50	7,824	0.652%	53	971	0.648%	47	1,124	0.648%	173,600	48	1.0	41
Average	29,227	1.461%	-	23,457	1.955%	-	1,983	1.322%	-	2,611	1.342%	-	-	2.2	-

* Note: The Minnesota Taxpayers Association counts Kansas fixtures at 100% of the value. This report altered that to 20% of value, because the Kansas Constitution mandates a 5-year straight-line depreciation of personal property for property tax purposes for personal property put in place before 2006—with a floor of 20% for evermore. After 2006, newly acquired personal property is exempt. The Kansas industrial property assumes no tax on the machinery/equipment and inventory (which became exempt in 1989). To the extent a Kansas industrial property has machinery/equipment placed in service before 2006, the Kansas rank of 19 may understate the tax liability ranking. "Fixtures" represent furniture, office equipment, et cetera; found in all types of business property.
 Source: Minnesota Taxpayers Association

Table 2

Property Tax Liabilities and Effective Tax Rates for Select Property Types, 2010
Comparison of Representative “Rural” City in Each State

State - City	\$1 Million Industrial Property w/ \$500,000 Machinery/ Equipment, \$400,000 of Inventory, and \$100,000 of Fixtures*			\$1 Million Commercial Property w/ \$200,000 Fixtures*			\$150,000 Homestead			Ratio of Effective Tax Rates on Real Property: \$1 M Commercial to \$150,000 Home	
	Tax (\$)	Tax (%)	Rank	Tax (\$)	Tax (%)	Rank	Tax (\$)	Tax (%)	Rank	Ratio	Rank
	Alabama - Monroeville	12,084	0.604%	46	9,044	0.754%	43	522	0.348%	49	2.2
Alaska - Ketchikan	17,755	0.888%	35	12,995	1.083%	37	1,592	1.061%	27	1.0	40
Arizona - Safford	21,322	1.066%	25	13,948	1.162%	33	842	0.561%	43	2.0	11
Arkansas - Pochontas	14,028	0.701%	39	8,417	0.701%	46	702	0.468%	46	1.5	17
California - Yreka	16,526	0.826%	38	12,395	1.033%	39	1,477	0.985%	28	1.0	35
Colorado - Walsenburg	37,461	1.873%	7	28,096	2.341%	9	936	0.624%	40	3.8	1
Connecticut - Windham	30,811	1.541%	13	30,811	2.568%	7	3,851	2.568%	2	1.0	40
Delaware - Georgetown	5,094	0.255%	50	5,094	0.424%	50	857	0.571%	42	0.9	49
Florida - Moore Haven	36,020	1.801%	10	26,766	2.231%	12	2,448	1.632%	18	1.4	20
Georgia - Fitzgerald	26,715	1.336%	16	17,890	1.491%	27	2,031	1.354%	21	1.1	30
Hawaii - Kauai	7,700	0.385%	49	7,700	0.642%	48	427	0.285%	50	2.7	5
Idaho - Saint Anthony	22,073	1.104%	23	16,316	1.360%	30	990	0.660%	39	2.0	12
Illinois - Clinton	25,965	1.298%	18	25,965	2.164%	14	3,438	2.292%	3	1.1	29
Indiana - North Vernon	48,300	2.415%	4	36,300	3.025%	2	1,425	0.950%	29	3.2	2
Iowa - Hampton	36,278	1.814%	9	36,278	3.023%	3	2,647	1.765%	15	2.1	9
Kansas - Iola	52,085	2.604%	2	52,933	4.411%	1	2,846	1.897%	10	2.7	6
Kentucky - London	12,362	0.618%	45	12,569	1.047%	38	1,147	0.764%	35	1.3	22
Louisiana - Natchitoches	28,512	1.426%	15	16,176	1.348%	31	674	0.449%	47	2.9	4
Maine - Rockland	29,120	1.456%	14	21,840	1.820%	19	2,548	1.699%	16	1.1	33
Maryland - Denton	16,607	0.830%	37	20,287	1.691%	24	2,002	1.334%	22	1.0	48
Massachusetts - Adams	18,554	0.928%	32	20,373	1.698%	23	2,116	1.410%	19	1.2	26
Michigan - Manistique	40,044	2.002%	6	34,233	2.853%	4	3,079	2.053%	7	1.4	18
Minnesota - Glencoe	26,563	1.328%	17	26,563	2.214%	13	1,944	1.296%	23	2.0	10
Mississippi - Aberdeen	49,533	2.477%	3	29,620	2.468%	8	2,093	1.396%	20	1.8	15
Missouri - Boonville	33,809	1.690%	12	25,523	2.127%	16	1,725	1.150%	26	1.9	14
Montana - Glasgow	25,536	1.277%	19	16,433	1.369%	29	1,244	0.830%	32	1.4	19
Nebraska - Sidney	36,674	1.834%	8	27,389	2.282%	10	3,308	2.205%	4	1.0	37
Nevada - Fallon	19,984	0.999%	30	14,888	1.241%	32	1,867	1.245%	25	1.0	47
New Hampshire - Lancaster	18,640	0.932%	31	18,640	1.553%	26	2,796	1.864%	11	1.0	40
New Jersey - Maurice River Twp	20,476	1.024%	28	20,476	1.706%	22	3,071	2.048%	9	1.0	46
New Mexico - Santa Rosa	18,138	0.907%	33	13,446	1.121%	35	1,375	0.917%	30	1.2	25
New York - Warsaw	34,205	1.710%	11	34,205	2.850%	5	4,475	2.983%	1	1.1	28
North Carolina - Edenton	13,942	0.697%	41	10,042	0.837%	42	1,214	0.809%	33	1.0	40
North Dakota - Devils Lake	20,973	1.049%	27	20,973	1.748%	21	2,695	1.797%	13	1.2	27
Ohio - Bryan	9,871	0.494%	48	17,220	1.435%	28	1,943	1.295%	24	1.3	23
Oklahoma - Mangum	20,345	1.017%	29	11,303	0.942%	40	1,281	0.854%	31	1.1	34
Oregon - Tillamook	13,647	0.682%	42	8,977	0.748%	45	996	0.664%	38	1.0	40
Pennsylvania - Ridgway	21,087	1.054%	26	21,087	1.757%	20	3,151	2.100%	6	1.0	39
Rhode Island - Hopkinton	17,259	0.863%	36	18,828	1.569%	25	2,688	1.792%	14	0.9	50
South Carolina - Mullins	70,526	3.526%	1	32,510	2.709%	6	1,195	0.796%	34	3.0	3
South Dakota - Sisseton	22,500	1.125%	22	22,500	1.875%	18	2,775	1.850%	12	1.2	24
Tennessee - Savannah	13,120	0.656%	44	10,276	0.856%	41	830	0.553%	44	1.6	16
Texas - Fort Stockton	44,630	2.232%	5	26,778	2.232%	11	2,468	1.646%	17	1.4	21
Utah - Richfield	18,050	0.902%	34	13,537	1.128%	34	867	0.578%	41	2.0	13
Vermont - Newport	23,418	1.171%	21	23,418	1.952%	17	3,257	2.172%	5	1.1	31
Virginia - Wise	13,133	0.657%	43	7,173	0.598%	49	622	0.415%	48	1.0	38
Washington - Colville	11,114	0.556%	47	8,295	0.691%	47	1,033	0.689%	36	1.0	40
West Virginia - Elkins	21,882	1.094%	24	13,202	1.100%	36	787	0.524%	45	2.1	8
Wisconsin - Rice Lake	23,421	1.171%	20	25,556	2.130%	15	3,073	2.049%	8	1.0	36
Wyoming - Worland	13,964	0.698%	40	9,018	0.751%	44	1,023	0.682%	37	1.1	32
Average	25,679	1.284%		20,209	1.684%		1,924	1.283%			

* Note: The Minnesota Taxpayers Association counts Kansas fixtures at 100% of the value. This report altered that to 20% of value, because the Kansas Constitution mandates a 5-year straight-line depreciation of personal property for property tax purposes for personal property put in place before 2006--with a floor of 20% for evermore. After 2006, newly acquired personal property is exempt. The Kansas industrial property assumes no tax on the machinery/equipment and inventory (which became exempt in 1989). To the extent a Kansas industrial property has machinery/equipment placed in service before 2006, the Kansas rank of 19 may understate the tax liability ranking. “Fixtures” represent furniture, office equipment, et cetera; found in all types of business property.

Source: Minnesota Taxpayers Association

accounts for some features of the Kansas property tax system in a different (arguably more accurate) way, so the Kansas rankings in this report (Table 1 and Table 2) may not match the results published by MTA. The Kansas intra-state comparisons also rely on the hypothetical property types used by the MTA. This research strategy allows for a broad, apples-to-apples comparison among cities. (This report updates similar research undertaken in 2006 that covered Kansas property taxes over several decades.)²

Using hypothetical properties to evaluate and compare property taxes in different cities makes sense because the applicable laws and procedures vary so much; hypothetical property types allow for a concise application of all property tax laws in a locality. Generally, property tax systems have three moving parts that factor into calculations of property tax liability: (1) Appraisals of property value, (2) property assessment rates, and (3) property tax rates (often called millage rates, or mills). The main features of Kansas property tax law follow:

- County governments, with assistance from the Kansas Department of Revenue, reappraise real property (real estate) every year. (The accuracy of appraisals is an important factor in the property tax calculations in practice and in this report.)
- The Constitution of Kansas (Article 11), based on amendments passed in 1986 and 1992, sets assessment rates on different classifications of property. For example, homesteads carry an assessment rate of 11.5 percent of appraised value and commercial/industrial properties carry an assessment rate of 25 percent of appraised value. So, all else equal, Kansas businesses will always have a property tax liability at least 117 percent greater than a homestead property.
- Kansas used to apply property tax rates to household and business “personal property,” but has now almost eliminated that practice.

Residential personal property, via an amendment to the Constitution, became exempt in 1964. Business inventories became exempt by a 1986 amendment, effective 1989. Newly acquired business machinery and equipment became exempt by legislation passed in 2006³ (but, per the Constitution, such personal property acquired before 2006 still remains subject to property tax at a value equal to 20 percent of its original purchase price).

- The Kansas state government and the state’s many local governments annually determine property tax rates. In 2010, the average total property tax rate among all Kansas localities was 164 mills (or $164 \div 1000 = 16.4\%$). Of that, only 21.5 mills represent state-level property tax rates: 20 mills for a statewide school levy and 1.5 mills for buildings primarily related to higher education, juvenile corrections, and mental health. The state’s mills have not changed in many years, but the local mills change often, almost annually, as determined by local government budgets.

INTER-STATE COMPARISONS

To make inter-state comparisons, the Minnesota Taxpayers Association chooses the most populace city in each state and a “typical” rural town. The large city sample also includes Washington, D.C.; Aurora, Illinois; and Buffalo, New York; the latter two because the huge size of New York City and Chicago make them somewhat atypical. The definition of rural relies on specific definitions established by the U.S. Department of Agriculture; it has a population in the range of 2,500 to 20,000 and, ideally, has property tax rates at levels close to the median for the state.

Table 1 reports key metrics for Wichita compared to the big cities in other states. Table 2 reports key metrics for the town of Iola in Southeast Kansas (Allen County) compared to the selected rural towns in other states.

2 See Arthur P. Hall, “Property Tax Comparisons among Kansas Localities and Select Cities of the United States,” Kansas, Inc. Research report, May 2006. Available at: http://www.business.ku.edu/_pdf/CAE_PropertyTaxComparisons.pdf

3 See KSA 79-223, which resulted from HB 2583 (2006 session).

Table 1 lists four property types—two business-related properties and two homestead-related properties. Each category lists the calculated tax liability in dollars, the effective tax rate implied by the full value of the property (including personal property), and how each city ranked among the sample. Table 1 also lists a measure to compare property tax burdens on business property relative to homestead property.

The two business properties in Table 1 would have the same tax liability in Wichita except for the way in which personal property is treated. For illustration, the industrial property includes no tax on machinery and equipment (a form of personal property) to reflect the policy intent of the 2006 legislation that exempted it. Without that legislation, the industrial property could have a Wichita-based property tax liability of \$47,168 (and an effective tax rate of 2.358%) which would give it a rank of 5th instead of 19th. Alternatively, the industrial property could be assumed to have invested in its machinery and equipment before 2006; in that case, the property would, per law, have depreciated to (and remained at) 20 percent of its original \$500,000 value, giving it a tax liability of \$32,783 but still a rank of 19th. (The fixtures are assumed to have depreciated to 20 percent of \$100,000.)

The latter alternative—depreciation to 20 percent of value—is the assumption applied to the fixtures associated with the commercial property. However, the ranking in Table 1 may not be accurate. In 1998, the Kansas legislature enacted an income tax credit against property tax paid on business personal property. The credit is “refundable,” meaning that the state will pay the amount of the credit regardless of income tax liability. For 2010, the credit equaled 25 percent of tax liability on property tax paid on business personal property. In the hypothetical commercial property example in Table 1, the credit would equal: $\$200,000 \times 20\% = \$40,000 \times 25\%$ (assessment rate) $= \$10,000 \times 119.8$ mills (0.1198) $= \$1,198$ (personal property tax liability) $\times 25\% = \$299.50$. The report makes no adjustments for this credit because the Minnesota Taxpayers Association makes no adjustment for items not explicitly related to the property tax

system, so other states would have no adjustment for similar practices.

Property value plays a significant role in property tax liability (and the tax rates local governments must set to finance their budgets). Table 1 shows results for a hypothetical \$150,000 home and a median-valued house in each city. (Relatively low housing prices are one attractive lifestyle feature in Kansas.) Note that the effective tax rates for both Wichita home types are similar, but not equal. The difference relates to the Kansas state law that exempts \$20,000 of a homes appraised value from the statewide school levy (20 mills). The median-priced home has a value less than \$150,000, so the exemption has a greater relative value, thereby lowering the effective tax rate. The Wichita median-value home in Table 1 ranked 24th based on the effective tax rate. It ranked 41st in terms of tax liability.

The remaining metric in Table 1 measures each city’s business property tax burden versus its homestead property tax burden, using the commercial property and the \$150,000 home. The ratio uses the effective tax rates from only the taxation of real property. Wichita had a measure of 2.2, which ranked 13th. Many cities, like Wichita, have ratios greater than one, indicating that they tax business property more heavily than homes. Many also have ratios of one, indicating equal treatment. Only a few cities have ratios less than one, indicating that homes bear a heavier relative burden than businesses.

It is important to note that the Wichita ratio of 2.2 is greater than the 2.17 that would result solely from the legal rules in Kansas (a 25 percent assessment rate for business and an 11.5 percent assessment rate for homes). The difference relates to appraisal accuracy. The stated value of the hypothetical properties is assumed to be the “true market value.” The practical difficulties associated with property appraisal often results in appraisals that differ from transaction-based market prices (which is the basis for “true” value).

Most governments have some method by which they attempt to compare property appraisals with sales prices. Those reported ratios are used by the Minnesota Taxpayers Association (and this report) to adjust the “true market value” of the hypothetical properties to reflect

the (median) divergence from true value indicated by reported sales prices. For example, Kansas conducts annual sales-ratio studies. For 2010, the median ratio for a home in Wichita (actually, Sedgwick County) was 96.4 percent; for a commercial/industrial property it was 97.4 percent. Ratios less than 100 percent indicate that (in the median case, based on the entire set of sales-price comparisons) the appraised values of homes are less than the recorded sales prices (and vice versa). The ratios in large, more active markets tend to be much closer to “true” than those in small, less active (typically, rural) markets.

Table 2 contains the same basic information as Table 1, but compares properties in selected rural towns. The case of Iola, Kansas illustrates how appraisal practices can have an important influence on property tax liabilities. The tax burden of \$52,085 on the Iola-based industrial property ranked 2nd among the sample of rural

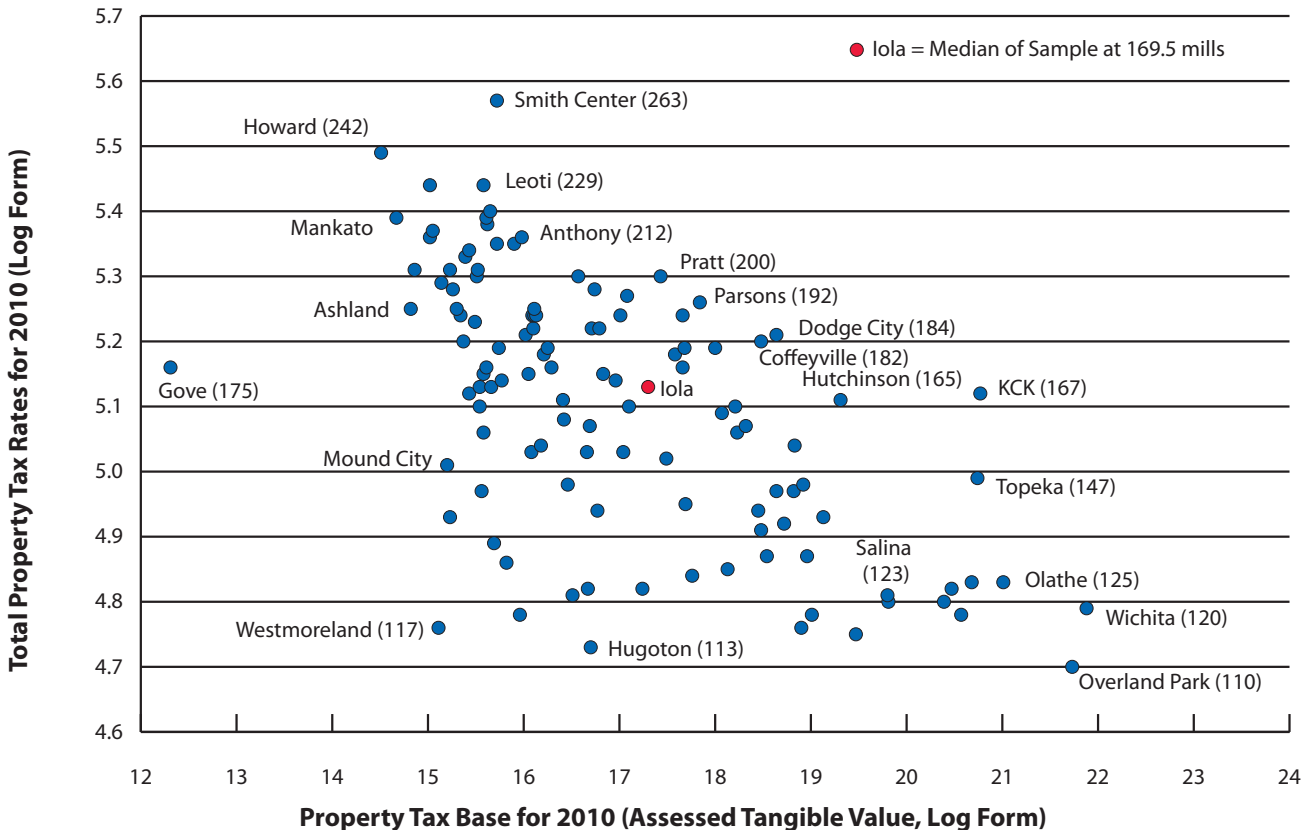
cities. The 2010 (median case) sales ratio on business property in Iola (Allen County) was 120.9 percent, suggesting that appraisers overestimated the “true” value by 20.9 percent. If the ratio matched true value instead (100 percent), the tax liability would change to 41,199, which would have ranked 5th. The same issue also applies to the commercial property. The 2010 (median case) homestead sales ratio for Iola was 98.9 percent, so the relative high-tax liability rank for this property derived from the relatively high property tax rate.

KANSAS INTRA-STATE COMPARISONS

Kansas has uniform statewide property tax laws. Property tax rates and the accuracy of property appraisals account for the intra-state differences in property tax burdens, from an effective tax rate perspective.

Chart 2

Property Tax Base and Total Tax Rates for 118 Select Kansas Localities (with Total Mills for Select Cities in Parentheses)



Source: League of Kansas Municipalities, 2010 *Kansas Tax Rate and Fiscal Data Book*.

Chart 2 and Chart 3 provide a perspective on the wide variation in total property tax rates that apply in different Kansas cities. Chart 2 shows the pattern for a select group of 118 cities compared in Tables 3-5. Chart 3 shows the pattern for 628 cities in Kansas (as per the 2010 *Kansas Tax Rate and Fiscal Data Book* published by the League of Kansas Municipalities).

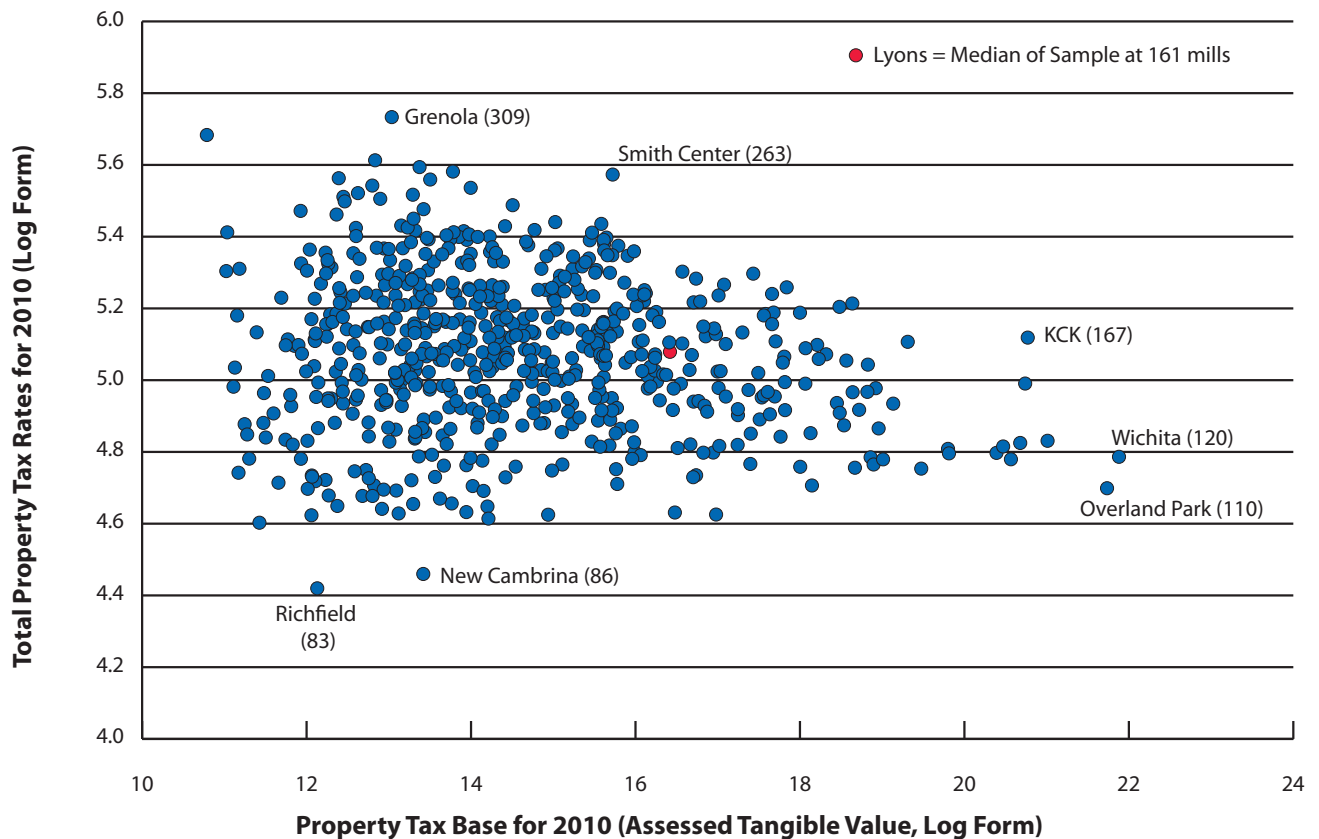
Chart 2 and Chart 3 compare the total mills applied in a city compared to the assessed (not appraised) property values in the city. The total mills in a city represent an average derived by dividing property tax collections by assessed property values—not an adding up all applicable statutory mill levies, so certain parts of a city may actually levy more or less mills than the calculated average. Chart 2 shows the strong negative correlation between mill levels and assessed property values for the major population centers in Kansas. However, Chart 3 shows that the statewide pattern is much more balanced. (The

charts convert the actual data into logarithmic form simply to create a visually more intuitive picture: the large levels of assessed value in Wichita and Overland Park relative to the other cities would visually distort the image if the data were represented in its normal form.)

The sample of cities included in Chart 2, and listed by name in Tables 3-5, include all of the Kansas cities of the first class; all cities of the second class with populations of 10,000 or more; and the county seat of each Kansas county, if not otherwise included in the sample. This sample of cities represents about 83 percent of the Kansas population and about 87 percent of 2010 assessed property value.

Because of the statewide uniformity of Kansas property tax law, Chart 2 provides a ready basis for assessing how various cities in Kansas would compare to the inter-state sample of cities. Wichita has relatively low total mills compared to most other cities in Kansas. Yet Wichita

Chart 3
Property Tax Base and Total Tax Rates for All Kansas Localities



Source: League of Kansas Municipalities, 2010 *Kansas Tax Rate and Fiscal Data Book*

ranks relatively high among the inter-state sample of tax burdens, especially in the business category. Iola levies the median number of total mills for the Chart 2 sample (and 9.5 more mills than the median for the full sample of cities in Chart 3). Iola ranks quite high in the inter-state sample of rural communities, and also in the Kansas sample, despite having the median level of mills.

Chart 2 labels most of the major cities in Kansas and provides the total mills in parenthesis. Note that Smith Center levies 153 more total mills than Overland Park, or 15.3 more percentage points of tax, 26.3 percent versus 11 percent. That difference in mills combined with the different 2010 appraisal outcomes creates a substantial difference in property tax liabilities. Per Tables 3-5, the hypothetical industrial property would pay an additional \$46,549 in Smith Center versus Overland Park; the commercial property would pay an additional \$47,316; and a \$150,000 home would pay an additional \$2,071. (According to the Kansas Department of Revenue's 2010 sales-ratio report, for the median case, Johnson County had an industrial/commercial ratio of 89.7 percent and Smith County had a ratio of 107 percent. For homes, Johnson County had a ratio of 99.6 percent and Smith County had a ratio of 88.7 percent.)

Tables 3-5 provide detailed Kansas inter-state comparisons for three hypothetical properties. The tables arrange the cities according to the economic development regions defined by the Kansas Department of Commerce. Each table compares the 2010 property tax liability with the liability calculated for 2005. They also provide the rank among the sample of 118 localities and the potential range of tax liabilities around the median case.

The range of potential liabilities around the median case results from the 2005 and preliminary 2010 sales-ratio studies compiled by the Kansas Department of Revenue. Here is how the study defines the relevant measures:⁴

The MEDIAN RATIO is the middle ratio in a sorted array of sales ratios; 50% of the ratios lie above the median and 50% fall below it. A ratio is calculated by dividing the appraised value by

the sale price of the property. The median ratio is the commonly used point estimate because it is less influenced by extremely high or low ratios in the sample.

The MEDIAN RATIO CONFIDENCE INTERVAL provides the range in which the true county median ratio is expected to fall. The confidence interval estimate is a more reliable indicator of the actual level of appraisal for all properties in the county population, both sold (those used in the ratio study sample), and unsold. The confidence level used by the Division is 95%. The acceptable compliance range for the median ratio is 90.0 to 110.0 %. The ideal confidence interval range will overlap 100%.

For example, with reference to the industrial property in Table 3, the 2010 median ratio in Douglas County for industrial/commercial property was 84.2 percent. The 95 percent confidence interval around that median ranged from 77.2 percent to 104.4 percent. Consequently, the 2010 median property tax liability for the industrial property is listed in Table 3 as \$25,655. However, based on the confidence interval, the property tax liability could have been \$8,095 above or below that amount.

In many localities—particularly the more rural cities that have a low volume of sales activity for industrial/commercial property—the confidence interval can be wide. For example, again with reference to Table 3, the town of Lincoln (in the North Central region) had a 2010 median industrial commercial ratio of 98.6 but a range of 79.8 to 330.4. This large confidence interval indicates that the property tax liability could be as much as \$77,338 different from the median case of \$51,868. Mathematically, that could produce a negative tax liability. No attempt is made in Table 3-5 to adjust for that outcome.

Table 4, in association with the commercial property, shows the ratio of the effective tax rates for the commercial property (real property only) and the \$150,000 homestead. Unlike the inter-state comparison of this ratio, the intra-state differences relate solely to the differ-

4 Kansas Department of Revenue, Kansas 2010 Preliminary Appraisal/Sales Real Estates Ratio Study, p. 7. Available at: <http://www.ksrevenue.org/pdf/10PrelimRatioStudy.pdf>

ent median sales ratios in the various localities, because of the uniform statewide property tax laws in Kansas.

When comparing the 2005 and 2010 property tax liabilities, the \$150,000 homestead property in Table 5 offers the most useful comparison related to the trend in the level of total mills levied in a locality, because the 2006 property tax legislation related to business machinery and equipment had no effect homestead properties. Table 5 reveals that 83 of the 118 localities imposed a higher property tax liability of this hypothetical property. The effects of inflation are accounted for by the stable value of \$150,000. The average increase in property tax liability, in those localities that had increases, was \$284, with a minimum increase of \$7 (Lansing) and a maximum increase of \$1,315 (Gove). Among the localities that

decreased liabilities, the average decrease was \$141, with a minimum decrease of \$14 (Scott City) and a maximum decrease of \$514 (Trego).

Table 3 reveals that for the industrial property only two localities experienced a 2010 property tax liability higher than for 2005 (Gove and Sedan). Table 4 reveals that 50 localities had higher 2010 tax liabilities for the commercial property. The 2005 tax liabilities assume full taxation of business personal property (other than inventories). The 2010 tax liabilities assume no tax liability on business machinery and equipment and tax on fixtures based on 20 percent of original value. Because of the changes in tax base, the differences in 2005 and 2010 tax liabilities are instructive, but the driver is as much the change in state law as in local activity with regard to tax rates.

Table 3

Property Tax Liability for a \$1 Million Industrial Property

(with \$500K Machinery/Equipment, \$400K Inventories, \$100K Fixtures), 2005 & 2010

County	City	Net Property Tax Liability (Median Case)		Rank Among Kansas Sample		Potential Range of Tax Liability Around Median (+/-)	
		2005	2010	2005	2010	2005	2010
East Central Region							
Douglas	Lawrence	38,249	25,655	111	107	4,096	8,095
Franklin	Ottawa	59,604	42,525	42	47	4,262	15,392
Johnson	Gardner	44,632	31,325	91	90	5,953	5,090
Johnson	Leawood	39,702	28,283	109	101	5,295	4,596
Johnson	Lenexa	40,694	28,562	106	100	5,427	4,641
Johnson	Merriam	32,581	26,898	118	105	4,345	4,371
Johnson	Olathe	42,559	28,731	99	99	5,676	4,669
Johnson	Overland Park	35,826	25,167	113	108	4,778	4,091
Johnson	Prairie Village	33,989	26,576	115	106	4,533	4,320
Johnson	Shawnee	38,819	27,760	110	102	5,177	4,514
Leavenworth	Lansing	44,060	36,492	94	73	3,385	7,811
Leavenworth	Leavenworth	47,499	39,618	82	57	3,649	8,480
Miami	Paola	51,185	42,784	75	43	9,266	44,602
Wyandotte	Kansas City	57,294	37,098	53	68	9,148	10,194
North Central Region							
Chase	Cottonwood Falls	72,559	42,720	10	44	17,477	22,375
Clay	Clay Center	65,192	36,745	24	70	10,679	15,824
Cloud	Concordia	61,592	44,448	36	36	14,560	18,888
Dickinson	Abilene	47,014	30,652	86	92	9,149	14,645
Ellsworth	Ellsworth	68,139	31,365	19	89	17,250	61,069
Geary	Junction City	57,842	36,720	50	71	7,557	21,154
Jewell	Mankato	59,587	44,822	43	32	6,689	35,814
Lincoln	Lincoln	59,485	51,868	44	17	7,918	129,206
Lyon	Emporia	54,814	37,080	60	69	5,632	12,941
Marshall	Marysville	57,197	38,274	54	65	3,624	39,217
Mitchell	Beloit	65,816	59,590	22	4	14,826	87,953
Morris	Council Grove	47,604	38,295	80	64	4,225	26,753
Ottawa	Minneapolis	56,122	47,757	57	26	11,250	14,414
Pottawatomie	Westmoreland	35,139	30,321	114	94	4,294	8,037
Republic	Belleville	70,386	52,212	13	14	11,269	33,059
Riley	Manhattan	42,793	29,681	98	97	6,135	33,221
Saline	Salina	43,373	31,448	95	88	7,298	6,679
Wabaunsee	Alma	47,041	42,586	85	46	8,341	19,871
Washington	Washington	56,189	35,145	56	77	6,138	30,985
North East Region							
Atchison	Atchison	55,895	16,671	58	114	3,539	41,212
Brown	Hiawatha	47,546	11,376	81	117	11,861	27,898
Doniphan	Troy	45,987	44,741	89	33	5,978	35,234
Jackson	Holton	41,197	14,435	102	115	5,692	34,989
Jefferson	Oskaloosa	57,539	27,274	51	104	8,055	39,631
Nemaha	Seneca	43,001	11,416	97	116	10,661	24,519
Osage	Lyndon	52,962	22,512	69	112	2,580	40,806
Shawnee	Topeka	51,528	5,109	74	118	5,656	37,867
North West Region							
Cheyenne	St. Francis	37,434	33,640	112	83	5,186	19,042
Decatur	Oberlin	63,423	51,032	30	19	6,915	16,819
Ellis	Hays	40,989	29,964	103	95	2,717	10,891
Gove	Gove	33,121	42,506	117	48	10,913	9,252
Graham	Hill City	69,318	52,504	18	11	7,722	12,809
Logan	Oakley	72,888	34,160	9	79	5,785	29,796
Norton	Norton	57,397	29,629	52	98	7,229	17,630
Osborne	Osborne	69,618	42,966	17	41	10,138	32,085
Phillips	Phillipsburg	66,883	44,475	20	35	13,272	20,503
Rawlins	Atwood	51,789	41,117	71	53	7,901	16,784
Rooks	Stockton	65,213	54,426	23	8	22,360	47,564
Russell	Russell	64,258	52,908	27	10	5,219	24,792
Sheridan	Hoxie	53,328	31,229	67	91	3,751	25,293
Sherman	Goodland	52,217	38,623	70	61	4,915	20,663
Smith	Smith Center	98,238	71,716	1	1	20,794	47,387
Thomas	Colby	54,548	36,193	62	74	5,991	4,165
Trego	WaKeeney	79,329	39,914	3	56	14,431	84,887
Wallace	Sharon Springs	57,872	57,406	49	7	16,761	21,910

Table 3 (continued)

County	City	Net Property Tax Liability (Median Case)		Rank Among Kansas Sample		Potential Range of Tax Liability Around Median (+/-)	
		2005	2010	2005	2010	2005	2010
South Central Region							
Butler	El Dorado	53,619	39,087	65	58	7,204	9,683
Chautauqua	Sedan	42,228	51,449	100	18	7,358	28,398
Cowley	Arkansas City	59,827	53,225	41	9	6,833	20,431
Cowley	Winfield	53,449	50,476	66	21	6,104	19,391
Elk	Howard	61,830	45,200	33	29	12,008	18,128
Greenwood	Eureka	64,580	23,183	25	111	11,340	26,529
Harper	Anthony	70,108	52,237	15	13	12,912	10,362
Harvey	Newton	43,260	24,730	96	109	7,820	18,973
Kingman	Kingman	59,975	41,668	39	52	10,819	6,925
Marion	Marion	64,255	51,981	28	16	6,016	80,838
McPherson	McPherson	47,210	33,460	84	84	6,571	5,188
Reno	Hutchinson	53,305	40,589	68	55	9,492	11,520
Rice	Lyons	64,393	42,926	26	42	6,447	26,101
Sedgwick	Derby	46,919	32,238	88	86	6,088	3,989
Sedgwick	Wichita	40,734	29,787	105	96	5,286	3,686
Sumner	Wellington	62,925	59,316	31	5	12,167	41,456
South East Region							
Allen	Iola	56,849	52,085	55	15	5,287	21,741
Anderson	Garnett	55,164	42,314	59	51	12,621	19,636
Bourbon	Ft. Scott	54,395	42,419	63	50	6,377	7,026
Cherokee	Columbus	47,005	43,520	87	38	8,961	28,326
Coffey	Burlington	41,957	32,028	101	87	3,190	17,104
Crawford	Girard	48,062	35,446	78	76	4,735	7,756
Crawford	Pittsburg	47,958	35,077	79	78	4,725	7,678
Labette	Oswego	73,660	67,192	8	2	7,760	22,765
Labette	Parsons	63,757	58,863	29	6	6,717	19,945
Linn	Mound City	47,308	36,583	83	72	7,941	14,281
Montgomery	Coffeyville	60,676	45,379	38	28	8,543	11,743
Montgomery	Independence	58,438	44,666	45	34	8,228	11,559
Neosho	Erie	51,781	48,529	72	25	8,012	39,962
Wilson	Fredonia	61,820	45,127	34	30	2,226	27,223
Woodson	Yates Center	61,944	43,082	32	39	4,900	57,243
South West Region							
Barber	Medicine Lodge	61,697	43,754	35	37	5,910	13,373
Barton	Great Bend	50,700	34,098	76	80	11,590	17,348
Clark	Ashland	60,710	42,476	37	49	19,057	18,136
Comanche	Coldwater	76,512	40,939	5	54	23,764	29,502
Edwards	Kinsley	74,449	49,462	7	22	20,697	26,833
Finney	Garden City	51,651	37,384	73	67	5,796	5,997
Ford	Dodge City	58,076	38,960	47	59	9,548	14,242
Grant	Ulysses	33,370	27,508	116	103	2,727	10,285
Gray	Cimmaron	58,039	38,636	48	60	3,774	25,164
Greeley	Tribune	59,918	52,237	40	12	9,300	38,518
Hamilton	Syracuse	54,061	44,963	64	31	4,258	35,552
Haskell	Sublette	40,040	24,437	107	110	3,023	7,193
Hodgeman	Jetmore	87,517	60,012	2	3	17,027	11,299
Kearny	Lakin	39,809	33,196	108	85	2,323	24,197
Kiowa	Greensburg	54,680	37,982	61	66	9,323	32,183
Lane	Dighton	74,515	46,682	6	27	9,036	19,537
Meade	Meade	58,389	35,741	46	75	7,195	22,518
Morton	Elkhart	44,088	30,560	93	93	4,248	14,614
Ness	Ness City	48,455	42,697	77	45	4,773	47,287
Pawnee	Larned	71,600	48,753	12	24	24,535	23,749
Pratt	Pratt	70,102	50,913	16	20	9,181	13,231
Rush	LaCrosse	71,740	34,044	11	81	7,251	23,725
Scott	Scott City	70,127	43,074	14	40	19,022	29,944
Seward	Liberal	44,871	33,842	90	82	8,205	9,553
Stafford	St. John	76,841	48,838	4	23	48,768	17,182
Stanton	Johnson City	44,293	38,413	92	62	18,339	21,337
Stevens	Hugoton	40,867	21,007	104	113	7,944	16,420
Wichita	Leoti	66,238	38,316	21	63	11,372	28,909

Source: Author's calculation using data from the League of Kansas Municipalities, *Kansas Tax Rate and Fiscal Data Book*, 2005 & 2010, and the Kansas Department of Revenue, Division of Property Valuation, "Kansas Real Estate Ratio Study," 2005 & 2010 (Preliminary)

Table 4

Property Tax Liability for a \$1 Million Commercial Property
(with \$200K Fixtures), 2005 & 2010

County	City	Net Property Tax Liability (Median Case)		Rank Among Kansas Sample		Potential Range of Tax Liability Around Median (+/-)		2010 Ratio of Effective Tax Rates on Real Property: \$1M Commercial to \$150,000 Home	
		2005	2010	2005	2010	2005	2010	Ratio	Rank
East Central Region									
Douglas	Lawrence	29,224	26,251	108	112	4,096	8,095	1.9	102
Franklin	Ottawa	45,911	43,343	39	48	4,262	15,392	2.2	48
Johnson	Gardner	33,466	32,008	92	96	5,953	5,090	2.0	87
Johnson	Leawood	29,769	28,900	106	106	5,295	4,596	2.0	84
Johnson	Lenexa	30,513	29,185	104	105	5,427	4,641	2.0	84
Johnson	Merriam	24,430	27,484	116	110	4,345	4,371	2.0	84
Johnson	Olathe	31,911	29,358	99	104	5,676	4,669	2.0	88
Johnson	Overland Park	26,863	25,716	113	113	4,778	4,091	2.0	89
Johnson	Prairie Village	25,485	27,155	115	111	4,533	4,320	2.0	90
Johnson	Shawnee	29,107	28,366	109	108	5,177	4,514	2.0	91
Leavenworth	Lansing	32,814	37,132	96	76	3,385	7,811	2.5	13
Leavenworth	Leavenworth	35,375	40,313	87	59	3,649	8,480	2.5	14
Miami	Paola	39,545	43,493	72	44	9,266	44,602	2.6	12
Wyandotte	Kansas City	43,518	37,934	53	71	9,148	10,194	1.9	97
North Central Region									
Chase	Cottonwood Falls	55,867	43,710	10	42	17,477	22,375	1.9	100
Clay	Clay Center	51,373	37,561	22	73	10,679	15,824	2.0	93
Cloud	Concordia	46,182	45,387	37	35	14,560	18,888	2.1	75
Dickinson	Abilene	35,851	31,286	83	98	9,149	14,645	2.1	66
Ellsworth	Ellsworth	52,837	32,262	18	93	17,250	61,069	1.6	114
Geary	Junction City	44,997	37,446	42	74	7,557	21,154	2.3	40
Jewell	Mankato	44,766	45,914	41	30	6,689	35,814	2.2	44
Lincoln	Lincoln	43,510	52,899	50	17	7,918	129,206	2.1	74
Lyon	Emporia	41,935	37,855	59	72	5,632	12,941	2.1	70
Marshall	Marysville	43,711	39,131	51	66	3,624	39,217	2.0	81
Mitchell	Beloit	51,891	60,514	20	4	14,826	87,953	3.0	1
Morris	Council Grove	35,755	39,119	84	67	4,225	26,753	1.8	104
Ottawa	Minneapolis	42,797	48,669	57	26	11,250	14,414	2.3	27
Pottawatomie	Westmoreland	26,067	30,908	114	99	4,294	8,037	2.3	25
Republic	Belleville	53,801	53,261	15	13	11,269	33,059	2.2	52
Riley	Manhattan	32,400	30,286	98	103	6,135	33,221	2.1	64
Saline	Salina	33,652	32,060	91	95	7,298	6,679	2.2	59
Wabaunsee	Alma	33,834	43,423	89	46	8,341	19,871	2.2	50
Washington	Washington	41,561	36,047	61	80	6,138	30,985	1.7	109
North East Region									
Atchison	Atchison	43,217	42,023	56	53	3,539	16,671	2.2	60
Brown	Hiawatha	36,273	28,598	80	107	11,861	11,376	1.6	113
Doniphan	Troy	35,564	35,928	88	81	5,978	44,741	2.2	49
Jackson	Holton	27,624	35,851	110	82	5,692	14,435	1.8	103
Jefferson	Oskaloosa	44,496	40,481	44	58	8,055	27,274	2.0	92
Nemaha	Seneca	33,195	25,139	94	115	10,661	11,416	1.8	106
Osage	Lyndon	40,981	41,595	65	55	2,580	22,512	2.2	61
Shawnee	Topeka	39,112	38,603	73	69	5,656	5,109	2.2	51
North West Region									
Cheyenne	St. Francis	27,936	34,305	112	88	5,186	19,042	2.2	42
Decatur	Oberlin	49,320	52,083	28	19	6,915	16,819	2.1	72
Ellis	Hays	30,383	30,559	105	100	2,717	10,891	2.3	35
Gove	Gove	23,155	43,379	118	47	10,913	9,252	2.0	94
Graham	Hill City	53,253	53,608	17	11	7,722	12,809	2.2	43
Logan	Oakley	58,446	35,188	7	84	5,785	29,796	1.5	116
Norton	Norton	43,836	30,502	49	101	7,229	17,630	1.6	115
Osborne	Osborne	53,614	44,008	16	40	10,138	32,085	2.1	76
Phillips	Phillipsburg	51,486	45,429	21	34	13,272	20,503	2.3	22
Rawlins	Atwood	35,968	42,055	78	52	7,901	16,784	2.0	82
Rooks	Stockton	48,314	55,510	29	8	22,360	47,564	2.4	20
Russell	Russell	48,074	53,877	30	10	5,219	24,792	2.6	10
Sheridan	Hoxie	40,256	32,089	68	94	3,751	25,293	1.7	108
Sherman	Goodland	39,599	39,384	71	64	4,915	20,663	2.2	45
Smith	Smith Center	77,797	73,032	1	1	20,794	47,387	2.7	8
Thomas	Colby	41,704	36,951	62	77	5,991	4,165	2.1	63
Trego	WaKeeney	62,983	40,839	3	57	14,431	84,887	2.2	58
Wallace	Sharon Springs	43,404	58,477	54	7	16,761	21,910	2.4	17

Table 4 (continued)

County	City	Net Property Tax Liability (Median Case)		Rank Among Kansas Sample		Potential Range of Tax Liability Around Median (+/-)		2010 Ratio of Effective Tax Rates on Real Property: \$1M Commercial to \$150,000 Home	
		2005	2010	2005	2010	2005	2010	Ratio	Rank
South Central Region									
Butler	El Dorado	41,408	39,874	64	61	7,204	9,683	2.2	54
Chautauqua	Sedan	27,334	52,514	111	18	7,358	28,398	2.1	62
Cowley	Arkansas City	44,958	54,169	40	9	6,833	20,431	2.4	18
Cowley	Winfield	40,165	51,372	69	21	6,104	19,391	2.4	19
Elk	Howard	46,384	46,408	36	28	12,008	18,128	1.7	111
Greenwood	Eureka	49,764	24,126	26	117	11,340	26,529	1.1	118
Harper	Anthony	51,800	53,299	19	12	12,912	10,362	2.1	77
Harvey	Newton	31,568	25,385	100	114	7,820	18,973	1.7	110
Kingman	Kingman	47,166	42,464	33	51	10,819	6,925	2.3	32
Marion	Marion	49,994	52,921	25	16	6,016	80,838	2.3	33
McPherson	McPherson	35,794	34,156	85	89	6,571	5,188	2.1	69
Reno	Hutchinson	40,360	41,414	67	56	9,492	11,520	2.2	46
Rice	Lyons	50,027	43,730	24	41	6,447	26,101	2.5	16
Sedgwick	Derby	35,818	32,887	86	91	6,088	3,989	2.3	37
Sedgwick	Wichita	31,096	30,387	102	102	5,286	3,686	2.3	38
Sumner	Wellington	48,088	60,208	31	5	12,167	41,456	2.9	2
South East Region									
Allen	Iola	43,691	52,933	52	15	5,287	21,741	2.7	5
Anderson	Garnett	41,965	43,236	58	50	12,621	19,636	1.9	98
Bourbon	Ft. Scott	41,907	43,286	60	49	6,377	7,026	2.2	57
Cherokee	Columbus	36,125	44,283	81	37	8,961	28,326	2.5	14
Coffey	Burlington	33,146	32,642	95	92	3,190	17,104	2.3	34
Crawford	Girard	36,991	36,171	76	79	4,735	7,756	2.2	55
Crawford	Pittsburg	36,911	35,794	77	83	4,725	7,678	2.2	56
Labette	Oswego	57,183	68,289	9	2	7,760	22,765	2.7	6
Labette	Parsons	49,496	59,824	27	6	6,717	19,945	2.7	7
Linn	Mound City	36,314	37,333	79	75	7,941	14,281	2.1	67
Montgomery	Coffeyville	46,066	46,289	38	29	8,543	11,743	2.0	79
Montgomery	Independence	44,367	45,562	45	33	8,228	11,559	2.0	78
Neosho	Erie	36,899	49,486	74	25	8,012	39,962	2.2	47
Wilson	Fredonia	47,807	45,897	32	31	2,226	27,223	2.6	9
Woodson	Yates Center	46,694	44,091	34	38	4,900	57,243	2.2	53
South West Region									
Barber	Medicine Lodge	46,713	44,620	35	36	5,910	13,373	2.3	39
Barton	Great Bend	37,019	34,895	75	85	11,590	17,348	2.0	96
Clark	Ashland	42,946	43,431	55	45	19,057	18,136	1.9	99
Comanche	Coldwater	60,394	41,951	5	54	23,764	29,502	1.8	105
Edwards	Kinsley	58,150	50,463	8	22	20,697	26,833	2.1	65
Finney	Garden City	40,128	38,103	70	70	5,796	5,997	2.4	21
Ford	Dodge City	44,248	39,879	46	60	9,548	14,242	2.0	95
Grant	Ulysses	24,115	28,128	117	109	2,727	10,285	2.0	80
Gray	Cimmaron	44,495	39,525	43	62	3,774	25,164	2.1	71
Greeley	Tribune	43,686	53,248	48	14	9,300	38,518	2.3	30
Hamilton	Syracuse	41,428	45,862	63	32	4,258	35,552	2.3	31
Haskell	Sublette	29,527	25,085	107	116	3,023	7,193	1.9	101
Hodgeman	Jetmore	69,505	61,165	2	3	17,027	11,299	2.3	23
Kearny	Lakin	30,689	33,792	103	90	2,323	24,197	2.6	11
Kiowa	Greensburg	40,466	38,799	66	68	9,323	32,183	2.3	28
Lane	Dighton	58,561	47,663	6	27	9,036	19,537	2.3	26
Meade	Meade	44,035	36,614	47	78	7,195	22,518	2.1	68
Morton	Elkhart	32,276	31,321	97	97	4,248	14,614	2.0	83
Ness	Ness City	35,792	43,539	82	43	4,773	47,287	2.8	4
Pawnee	Larned	55,370	49,757	11	24	24,535	23,749	2.3	36
Pratt	Pratt	53,965	51,911	14	20	9,181	13,231	2.3	24
Rush	LaCrosse	54,563	34,890	13	86	7,251	23,725	1.6	112
Scott	Scott City	55,354	44,074	12	39	19,022	29,944	2.1	73
Seward	Liberal	33,207	34,519	93	87	8,205	9,553	2.3	29
Stafford	St. John	60,674	49,780	4	23	48,768	17,182	2.2	41
Stanton	Johnson City	34,159	39,135	90	65	18,339	21,337	2.8	3
Stevens	Hugoton	31,389	21,573	101	118	7,944	16,420	1.7	107
Wichita	Leoti	49,942	39,464	23	63	11,372	28,909	1.5	117

Source: Author's calculation using data from the League of Kansas Municipalities, *Kansas Tax Rate and Fiscal Data Book*, 2005 & 2010, and the Kansas Department of Revenue, Division of Property Valuation, "Kansas Real Estate Ratio Study," 2005 & 2010 (Preliminary)

Table 5

Property Tax Liability for a \$150,000 Homestead, 2005 & 2010

County	City	Net Property Tax Liability (Median Case)		Rank Among Kansas Sample		Potential Range of Tax Liability Around Median (+/-)	
		2005	2010	2005	2010	2005	2010
East Central Region							
Douglas	Lawrence	1,743	2,023	113	108	98	39
Franklin	Ottawa	2,536	2,820	60	55	382	232
Johnson	Gardner	2,157	2,285	90	90	115	42
Johnson	Leawood	1,913	2,063	104	102	102	38
Johnson	Lenexa	1,962	2,083	101	101	104	39
Johnson	Merriam	1,562	1,962	118	110	84	36
Johnson	Olathe	2,054	2,096	95	100	109	39
Johnson	Overland Park	1,722	1,836	115	117	92	34
Johnson	Prairie Village	1,631	1,939	116	112	87	36
Johnson	Shawnee	1,870	2,026	107	106	100	38
Leavenworth	Lansing	2,143	2,150	91	95	171	49
Leavenworth	Leavenworth	2,314	2,334	79	88	184	53
Miami	Paola	2,274	2,452	81	81	169	86
Wyandotte	Kansas City	2,663	2,820	53	54	561	121
North Central Region							
Chase	Cottonwood Falls	3,263	3,290	10	19	625	495
Clay	Clay Center	2,562	2,697	58	64	509	163
Cloud	Concordia	3,187	3,152	17	31	631	178
Dickinson	Abilene	2,163	2,114	89	98	356	61
Ellsworth	Ellsworth	2,783	2,803	44	57	489	232
Geary	Junction City	2,324	2,399	78	83	355	80
Jewell	Mankato	2,517	2,951	63	44	828	1,172
Lincoln	Lincoln	3,225	3,683	14	6	618	527
Lyon	Emporia	2,351	2,608	77	70	225	104
Marshall	Marysville	2,516	2,766	64	61	489	322
Mitchell	Beloit	3,031	2,905	27	46	779	357
Morris	Council Grove	2,399	3,084	72	33	477	685
Ottawa	Minneapolis	2,650	3,051	54	36	367	154
Pottawatomie	Westmoreland	1,570	1,923	117	114	207	45
Republic	Belleville	3,468	3,481	5	10	784	413
Riley	Manhattan	1,911	2,040	105	104	168	48
Saline	Salina	1,921	2,129	103	97	199	108
Wabaunsee	Alma	2,605	2,827	56	53	416	297
Washington	Washington	2,745	3,023	47	40	692	451
North East Region							
Atchison	Atchison	2,455	2,794	69	58	263	151
Brown	Hiawatha	2,310	2,486	80	78	495	391
Doniphan	Troy	1,985	2,336	100	87	428	321
Jackson	Holton	2,494	2,808	67	56	381	259
Jefferson	Oskaloosa	2,442	2,900	71	47	291	164
Nemaha	Seneca	1,944	2,026	102	107	314	210
Osage	Lyndon	2,368	2,784	75	59	266	128
Shawnee	Topeka	2,368	2,517	76	77	174	79
North West Region							
Cheyenne	St. Francis	1,882	2,218	106	92	355	161
Decatur	Oberlin	3,074	3,599	24	8	381	392
Ellis	Hays	2,085	1,939	94	113	188	51
Gove	Gove	1,833	3,148	109	32	494	936
Graham	Hill City	3,214	3,460	15	11	235	754
Logan	Oakley	2,861	3,294	37	18	486	397
Norton	Norton	2,794	2,705	43	63	457	319
Osborne	Osborne	3,228	3,052	13	35	475	410
Phillips	Phillipsburg	3,022	2,781	29	60	445	451
Rawlins	Atwood	3,027	2,977	28	41	458	314
Rooks	Stockton	3,363	3,328	7	16	494	430
Russell	Russell	3,074	2,961	23	43	471	428
Sheridan	Hoxie	2,689	2,651	52	68	356	632
Sherman	Goodland	2,510	2,556	65	73	286	234
Smith	Smith Center	4,268	3,907	1	2	1,104	935
Thomas	Colby	2,529	2,485	61	79	113	125
Trego	WaKeeney	3,205	2,690	16	65	416	638
Wallace	Sharon Springs	3,163	3,450	19	12	822	954

Table 5 (continued)

County	City	Net Property Tax Liability (Median Case)		Rank Among Kansas Sample		Potential Range of Tax Liability Around Median (+/-)	
		2005	2010	2005	2010	2005	2010
South Central Region							
Butler	El Dorado	2,392	2,622	73	69	256	81
Chautauqua	Sedan	2,266	3,516	82	9	675	772
Cowley	Arkansas City	2,887	3,208	36	26	504	257
Cowley	Winfield	2,574	3,045	57	37	451	244
Elk	Howard	3,142	3,937	20	1	995	1,655
Greenwood	Eureka	2,937	3,158	32	29	540	494
Harper	Anthony	3,591	3,734	3	4	527	862
Harvey	Newton	2,234	2,138	83	96	249	95
Kingman	Kingman	2,629	2,678	55	67	444	349
Marion	Marion	2,825	3,348	41	15	376	305
McPherson	McPherson	2,164	2,338	88	86	197	111
Reno	Hutchinson	2,537	2,685	59	66	266	131
Rice	Lyons	2,832	2,578	40	71	354	227
Sedgwick	Derby	2,090	2,098	93	99	222	74
Sedgwick	Wichita	1,808	1,947	110	111	193	68
Sumner	Wellington	2,842	3,056	38	34	601	169
South East Region							
Allen	Iola	2,469	2,846	68	52	395	295
Anderson	Garnett	2,501	3,236	66	22	415	398
Bourbon	Ft. Scott	2,382	2,856	74	50	376	263
Cherokee	Columbus	2,184	2,564	87	72	408	240
Coffey	Burlington	1,726	2,062	114	103	248	144
Crawford	Girard	2,028	2,384	97	84	261	80
Crawford	Pittsburg	2,023	2,360	98	85	261	79
Labette	Oswego	3,391	3,642	6	7	667	182
Labette	Parsons	2,929	3,191	33	28	577	159
Linn	Mound City	2,029	2,528	96	75	286	401
Montgomery	Coffeyville	2,922	3,270	34	20	442	261
Montgomery	Independence	2,813	3,219	42	23	426	257
Neosho	Erie	2,835	3,214	39	24	490	367
Wilson	Fredonia	2,718	2,525	49	76	373	314
Woodson	Yates Center	3,018	2,879	30	49	613	1,455
South West Region							
Barber	Medicine Lodge	2,894	2,856	35	51	497	257
Barton	Great Bend	2,717	2,549	50	74	533	248
Clark	Ashland	3,530	3,251	4	21	644	645
Comanche	Coldwater	3,127	3,315	21	17	558	817
Edwards	Kinsley	3,321	3,404	9	13	721	850
Finney	Garden City	2,234	2,305	84	89	221	67
Ford	Dodge City	2,743	2,905	48	45	226	124
Grant	Ulysses	1,785	1,980	111	109	218	120
Gray	Cimmaron	2,747	2,713	46	62	346	353
Greeley	Tribune	3,258	3,353	11	14	767	844
Hamilton	Syracuse	2,518	2,885	62	48	526	599
Haskell	Sublette	1,991	1,908	99	115	247	333
Hodgeman	Jetmore	4,103	3,772	2	3	577	1,480
Kearny	Lakin	1,751	1,876	112	116	316	302
Kiowa	Greensburg	2,703	2,430	51	82	393	941
Lane	Dighton	2,991	2,965	31	42	307	1,578
Meade	Meade	2,774	2,482	45	80	620	548
Morton	Elkhart	2,231	2,215	85	93	287	499
Ness	Ness City	2,447	2,264	70	91	262	639
Pawnee	Larned	3,182	3,154	18	30	433	443
Pratt	Pratt	3,062	3,209	25	25	354	152
Rush	LaCrosse	3,342	3,027	8	39	830	604
Scott	Scott City	3,054	3,040	26	38	443	341
Seward	Liberal	2,207	2,170	86	94	216	117
Stafford	St. John	3,114	3,204	22	27	629	549
Stanton	Johnson City	2,095	2,036	92	105	340	673
Stevens	Hugoton	1,837	1,761	108	118	411	234
Wichita	Leoti	3,238	3,714	12	5	332	803

Source: Author's calculation using data from the League of Kansas Municipalities, *Kansas Tax Rate and Fiscal Data Book*, 2005 & 2010, and the Kansas Department of Revenue, Division of Property Valuation, "Kansas Real Estate Ratio Study," 2005 & 2010 (Preliminary)



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