

RON THORNBURGH
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STATE OF KANSAS

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Media Release

FOR IMMEDIATE RELEASE:

Tuesday, June 25, 2002

CORPORATE FRANCHISE FEE INCREASES JULY 1ST

Topeka, Ks - Kansas Secretary of State Ron Thornburgh is reminding business entities filing annual reports on or after July 1 to use the new formula to calculate the franchise fee.

Senate Bill 39 increases the amount of franchise fees collected by the secretary of state from business entities. Franchise fees are paid by business entities at the time of filing the annual report. The law affects domestic and foreign corporations, limited liability companies, limited partnerships, limited liability partnerships, business trusts, professional associations, and electric cooperatives. Monies raised by the franchise fee are deposited into the state's general fund account for state operating expenses.

Since 1972, the formula for calculating franchise fees has been \$1 for each \$1,000 of net worth of the business entity. SB 39 increases the fee to \$2 for each \$1,000 of net worth. The minimum tax collected is increased from \$20 to \$40 and the maximum fee is raised from \$2,500 to \$5,000. Nonprofit corporations will pay a fixed franchise fee of \$40 instead of \$20.

The Secretary of State's office has new annual report forms and calculation worksheets available at www.kssos.org.

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Ron Thornburgh is the 29th Kansas Secretary of State. He was elected to his first four-year term in 1994 and re-elected in 1998. Ron is a native of Burlingame, Ks. He graduated from Washburn University in 1985. Ron, his wife Annette and sons Grey and Tanner live in Topeka, where they are members of the First United Methodist Church.