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STATE OF KANSAS

SECOND ANNUAL BUSINESS FORMATION REPORT: ANOTHER RECORD YEAR FOR BUSINESS FORMATIONS IN KANSAS

February 20, 2014

In an effort to make Kansas a more business friendly state, I issued the first annual Business Formation Report early last year. Again, this year's report shows the number of business filings in Kansas over the past ten years. It is my hope that this data will be useful for many state agencies to evaluate plans that promise to encourage business to start in Kansas and to stay in Kansas.

The primary data is compiled by county then listed into six regions: Northwest, North Central, Northeast, Southwest, South Central and Southeast. Because sole proprietorships or general partnerships are not filed with our office, the existence of those and other such business types are not included in the data. We measure the number of registered entities doing business in the state of Kansas, including corporations, limited liability companies and limited partnerships. Additionally, it should be noted that in the early 2000s data entry practices allowed a larger number of entities to be recorded without listing a county.

My office has drawn certain conclusions from this data with the assistance of Dr. Art Hall, Executive Director, Center for Applied Economics, University of Kansas School of Business.

1. The Number of Business Entities Formed Continued to Increase in 2013.

The total number of domestic new entity filings in 2013 was 15,469, the highest annual total on record. This compares to 15,008 in 2012 and 13,646 in 2011. If the domestic new entity filings, foreign applications and annual reports filed are combined, we gain a picture of the number of business entities (both for profit and not for profit) currently operating in Kansas. Although this number is not a precise depiction of all business activity in Kansas because it does not include sole proprietorships, it does provide useful information.

The 2013 data show that the total number of active business entities in good standing in Kansas is currently 160,736, significantly higher than the total of 152,908 in 2012.

Dr. Hall remarked, "Certain economic indicators that I find compelling suggest that the U.S. economy may grow faster than last year. Kansas growth tends to closely follow U.S. growth. The surge in Kansas business filings is yet another indicator that suggests more robust Kansas economic growth in 2014."

2. The Upward Trend in Formations is Significant.

The fact that we saw two record years in business formations in Kansas is significant. This not a one-year outlier; it is a meaningful trend. Dr. Hall also noted, “In 2012, Kansas lawmakers enacted one of the most aggressive pro-growth tax reforms in the nation. The much more rapid rate of business formation in 2012 and 2013 offers an early indication that the law may be having its intended effect. The positive impact is apparent in virtually every Kansas county.”

3. Comparisons Before and After the Tax Law Change at January 1, 2013 Seem Stark.

At the beginning of 2013, significant tax changes occurred in Kansas, specifically the zero percent tax rate for certain small business entities and the reduced level of personal income tax rates. It appears at this point that there is a correlation between the enactment and implementation of these changes and the higher rate of business formation afterward.

Respectfully submitted,

A handwritten signature in black ink, reading "Kris W. Kobach". The signature is written in a cursive style with a large, prominent initial "K".

Filing Totals 2004-2013

DESCRIPTION	2004 TOTAL	2005 TOTAL	2006 TOTAL	2007 TOTAL	2008 TOTAL	2009 TOTAL	2010 TOTAL	2011 TOTAL	2012 TOTAL	2013 TOTAL
DOMESTIC NEW ENTITY FILINGS *	12,419	12,929	12,831	13,354	12,811	12,387	13,024	13,646	15,008	15,469
FOREIGN APPLICATIONS **	2,654	3,050	3,400	3,427	3,368	3,034	2,960	3,136	3,461	3,381
REINSTATEMENTS	7,897	5,836	5,037	4,001	4,107	3,881	3,762	3,978	3,675	4,513
DISSOLUTION ***	1,170	1,497	1,648	1,647	1,814	1,829	1,839	2,035	2,168	2,303
WITHDRAWAL ****	567	631	701	805	869	873	883	958	975	984
FORFEITED	14,339	9,351	9,856	9,320	11,670	12,043	12,917	13,037	11,824	14,120
ANNUAL REPORTS FILED **	94,998	109,892	124,450	115,616	122,473	127,119	128,614	135,817	134,439	141,886
COMBINED DOMESTIC NEW ENTITIES, FOREIGN APPLICATIONS, ANNUAL REPORTS	110,071	125,871	140,681	132,397	138,652	142,540	144,598	152,599	152,908	160,736

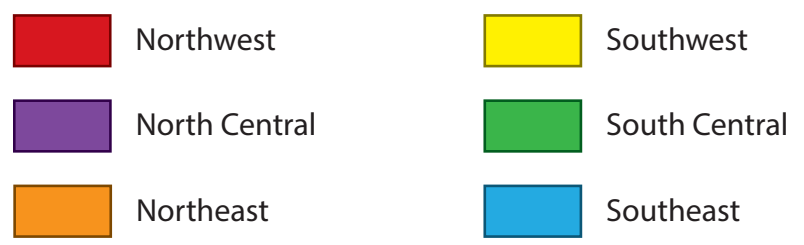
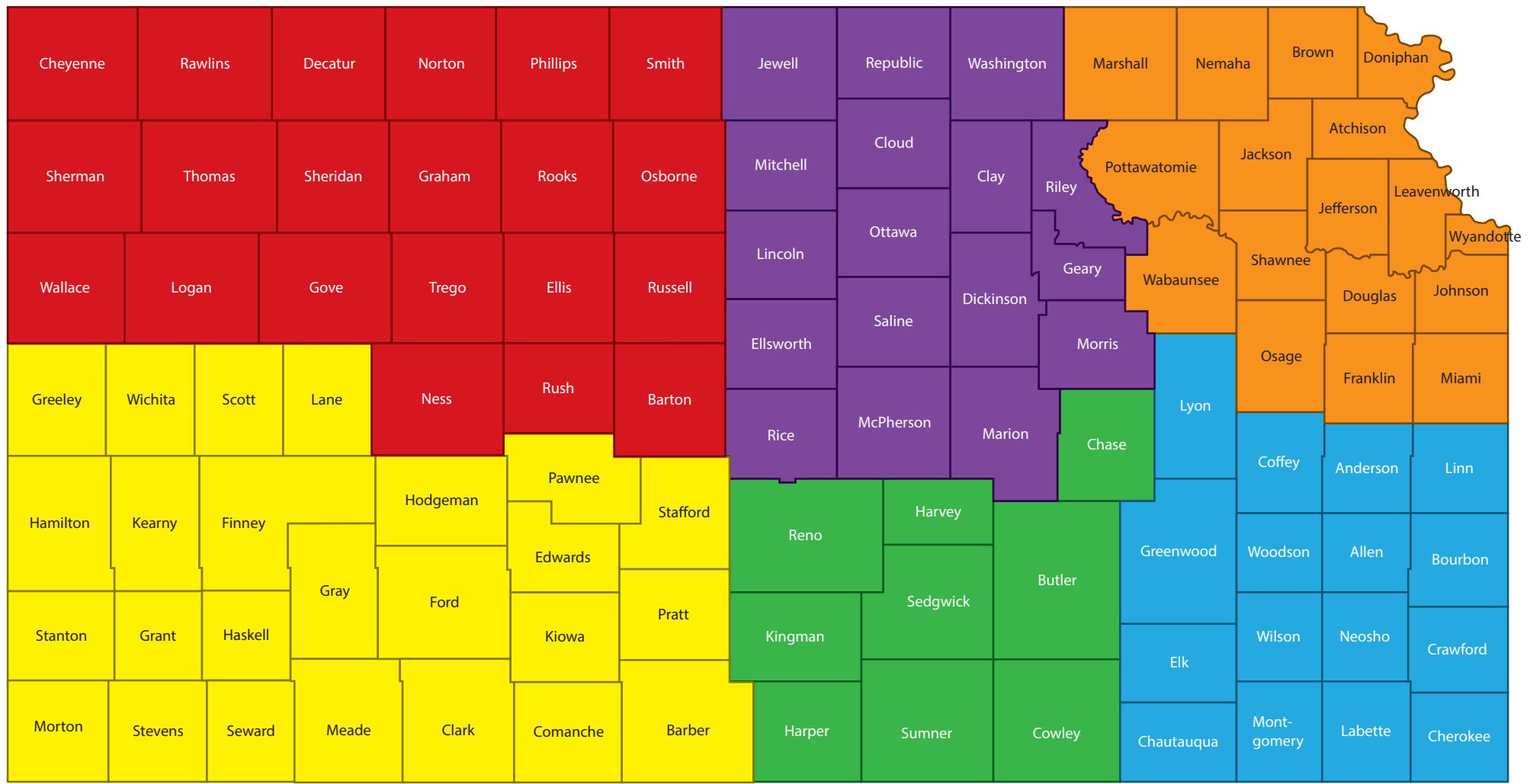
* Includes Kansas For Profit Corporations, Not For Profit Corporations, Limited Partnerships, Limited Liability Companies, and Limited Liability Partnerships

** Includes out-of-state For Profit Corporations, Not For Profit Corporations, Limited Partnerships, Limited Liability

*** Kansas entities that officially cease to operate

**** All foreign entities removing themselves from Kansas

Kansas Counties by Region for Business Entity Filings Report



DOMESTIC NEW ENTITY FILINGS NORTHWEST REGION

County		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Barton	BT	65	97	96	110	89	91	86	104	123	124
Cheyenne	CN	10	4	13	15	9	25	16	14	12	23
Decatur	DC	9	9	8	16	8	7	10	12	25	18
Ellis	EL	93	126	135	147	135	126	156	166	178	184
Graham	GH	9	13	16	11	17	10	6	15	18	15
Gove	GO	10	9	11	12	15	11	14	15	22	26
Logan	LG	8	8	11	13	11	6	7	19	19	25
Ness	NS	24	20	29	18	27	26	40	42	44	33
Norton	NT	1	2	5	4	4	3	6	7	8	8
Osborne	OB	12	12	11	11	13	16	12	17	17	16
Phillips	PL	15	19	23	22	23	30	23	22	21	41
Rawlins	RA	5	4	12	12	7	16	9	11	22	12
Rush	RH	14	5	4	8	3	7	11	15	10	9
Rooks	RO	23	22	37	13	36	14	22	21	29	32
Russell	RS	27	22	37	41	35	29	19	30	24	33
Sheridan	SD	14	12	6	13	13	18	18	15	37	13
Sherman	SH	25	41	42	31	38	18	41	31	35	33
Smith	SM	5	4	15	19	16	14	11	13	18	19
Thomas	TH	33	40	50	34	29	20	33	30	42	31
Trego	TR	7	6	7	10	11	15	8	5	11	12
Wallace	WA	8	5	11	6	12	4	17	14	19	16
Northwest Region Totals		417	480	579	566	551	506	565	618	734	723

DOMESTIC NEW ENTITY FILINGS NORTH CENTRAL REGION

County		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Cloud	CD	20	15	13	30	25	30	38	33	33	36
Clay	CY	34	16	35	32	37	27	25	40	30	38
Dickinson	DK	40	51	63	49	48	43	48	59	51	63
Ellsworth	EW	7	19	12	20	14	12	21	30	24	19
Geary	GE	63	74	66	82	66	53	59	59	67	82
Jewell	JW	6	4	9	11	5	7	13	12	11	18
Lincoln	LC	6	14	14	6	7	10	12	8	18	8
Mitchell	MC	18	15	24	21	22	29	20	25	31	36
Marion	MN	26	34	27	34	33	23	29	17	31	25
McPherson	MP	94	86	79	130	96	106	109	91	121	119
Morris	MR	12	16	21	20	16	23	17	14	21	24
Ottawa	OT	21	20	14	11	12	18	17	13	19	23
Rice	RC	26	30	22	29	36	31	32	24	34	35
Riley	RL	194	233	260	240	208	215	225	237	265	274
Republic	RP	14	13	11	21	15	11	11	12	7	21
Saline	SA	174	175	159	257	165	117	173	167	177	200
Washington	WS	17	21	14	13	20	13	22	20	17	24
North Central Region Totals		772	836	843	1006	825	768	871	861	957	1045

DOMESTIC NEW ENTITY FILINGS NORTHEAST REGION

County		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Atchison	AT	42	29	29	47	41	36	36	48	61	55
Brown	BR	23	35	34	27	36	36	23	25	47	42
Douglas	DG	520	582	602	571	569	535	517	508	550	586
Doniphan	DP	20	17	16	26	25	18	17	18	19	29
Franklin	FR	75	97	99	82	92	79	72	80	96	117
Jackson	JA	26	29	31	18	30	35	31	22	30	30
Jefferson	JF	40	43	60	57	54	51	63	45	74	75
Johnson	JO	4324	4433	4320	4293	4085	4215	4628	4777	5248	5602
Leavenworth	LV	192	224	238	194	206	192	188	211	259	234
Miami	MI	164	160	142	149	168	156	139	156	159	131
Marshall	MS	39	42	43	41	54	42	30	34	33	55
Nemaha	NM	24	35	44	46	36	36	32	38	72	65
Osage	OS	32	41	45	45	44	35	60	31	45	45
Pottawatomie	PT	65	81	76	65	76	58	61	56	81	73
Shawnee	SN	924	1014	1153	1311	1190	1188	1096	1060	1102	1204
Wabaunsee	WB	16	17	22	14	15	16	18	22	28	27
Wyandotte	WY	516	478	475	525	488	530	480	508	617	629
Northeast Region Totals		7042	7357	7429	7511	7209	7258	7491	7639	8521	8999

DOMESTIC NEW ENTITY FILINGS SOUTHWEST REGION

County		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Barber	BA	24	17	22	35	28	30	23	35	26	14
Clark	CA	5	2	11	11	9	9	11	9	13	13
Comanche	CM	4	0	7	1	5	2	6	1	13	10
Edwards	ED	6	6	5	6	6	4	11	14	11	6
Finney	FI	77	75	74	93	88	80	87	99	100	107
Ford	FO	53	72	53	119	65	59	79	87	103	83
Greeley	GL	8	2	14	4	10	6	12	15	16	10
Grant	GT	15	24	20	18	22	6	27	19	19	27
Gray	GY	18	8	12	26	29	21	22	26	35	19
Hodgeman	HG	2	6	8	7	7	5	5	11	7	6
Hamilton	HM	5	20	11	19	6	8	10	9	17	9
Haskell	HS	7	11	9	13	13	14	23	10	8	13
Kearny	KE	7	9	12	11	10	16	15	15	17	6
Kiowa	KW	7	10	6	8	14	9	10	6	18	7
Lane	LE	4	4	5	8	16	11	10	8	9	13
Meade	ME	13	4	7	13	19	13	18	18	17	12
Morton	MT	10	5	5	11	8	8	11	7	15	11
Pawnee	PN	14	11	11	15	19	17	17	22	22	28
Pratt	PR	42	49	44	39	46	43	48	65	62	55
Scott	SC	17	20	18	14	15	20	29	22	38	40
Stafford	SF	15	14	14	18	13	15	20	23	30	15
Stanton	ST	9	5	6	12	14	9	9	13	15	13
Stevens	SV	23	10	15	13	8	14	10	29	26	22
Seward	SW	36	36	60	55	58	52	46	52	46	67
Wichita	WH	5	6	5	11	14	11	8	12	12	14
SOUTHWEST REGION TOTALS		426	426	454	580	542	482	567	627	695	620

DOMESTIC NEW ENTITY FILINGS SOUTH CENTRAL REGION

County		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Butler	BU	214	228	199	201	232	190	199	224	250	249
Cowley	CL	75	69	75	78	80	73	60	96	82	85
Chase	CS	17	8	11	9	9	8	18	14	8	20
Harper	HP	19	23	28	19	21	16	30	32	53	22
Harvey	HV	99	119	109	103	114	88	102	114	109	119
Kingman	KM	18	25	14	29	26	27	31	32	45	39
Reno	RN	168	170	181	145	178	159	174	193	186	174
Sedgwick	SG	1936	2077	2057	2185	2165	2020	2133	2355	2488	2533
Sumner	SU	41	84	53	68	59	81	69	79	83	77
SOUTH CENTRAL REGION TOTALS		2587	2803	2727	2837	2884	2662	2816	3139	3304	3318

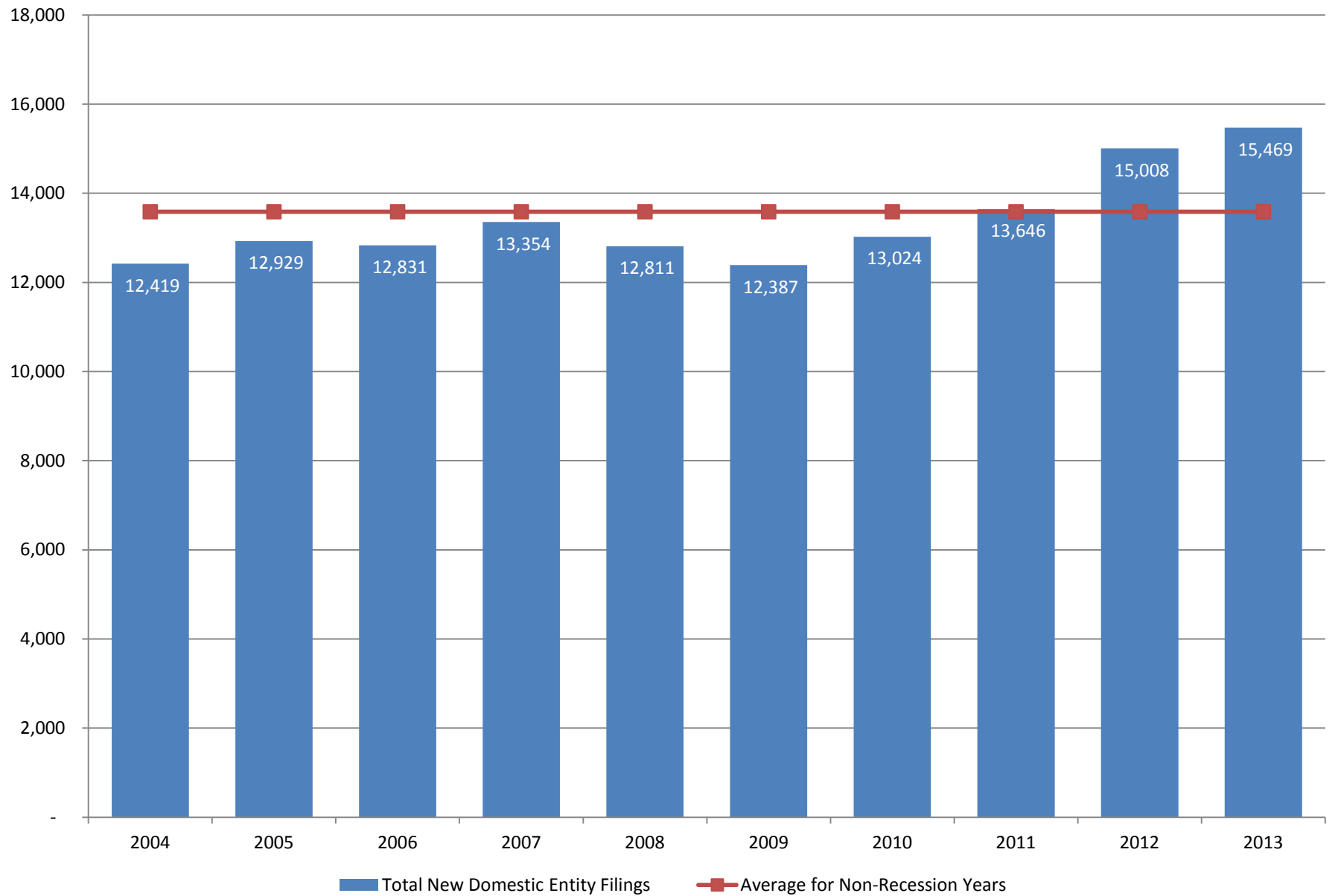
DOMESTIC NEW ENTITY FILINGS SOUTHEAST REGION

County		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Allen	AL	30	43	40	35	39	38	41	40	53	51
Anderson	AN	25	25	17	25	27	15	20	26	22	27
Bourbon	BB	51	36	37	60	30	41	45	42	37	36
Coffee	CF	30	37	29	33	35	26	24	50	40	40
Cherokee	CK	37	43	27	38	32	37	34	41	45	48
Chautauqua	CQ	10	11	16	14	14	12	13	12	20	11
Crawford	CR	88	113	93	99	131	107	91	109	130	118
Elk	EK	7	15	11	7	13	9	10	6	7	11
Greenwood	GW	16	22	21	40	29	10	27	26	23	34
Labette	LB	33	46	30	41	48	45	28	41	58	63
Linn	LN	23	34	28	14	22	18	24	23	40	33
Lyon	LY	83	88	101	109	74	68	94	94	106	102
Montgomery	MG	62	96	87	105	87	94	100	91	88	102
Neosho	NO	42	41	34	37	45	48	39	52	36	46
Wilson	WL	20	31	13	26	32	17	32	20	25	23
Woodson	WO	11	8	8	13	13	11	14	14	8	16
SOUTHEAST REGION TOTAL		568	689	592	696	671	596	636	687	738	761

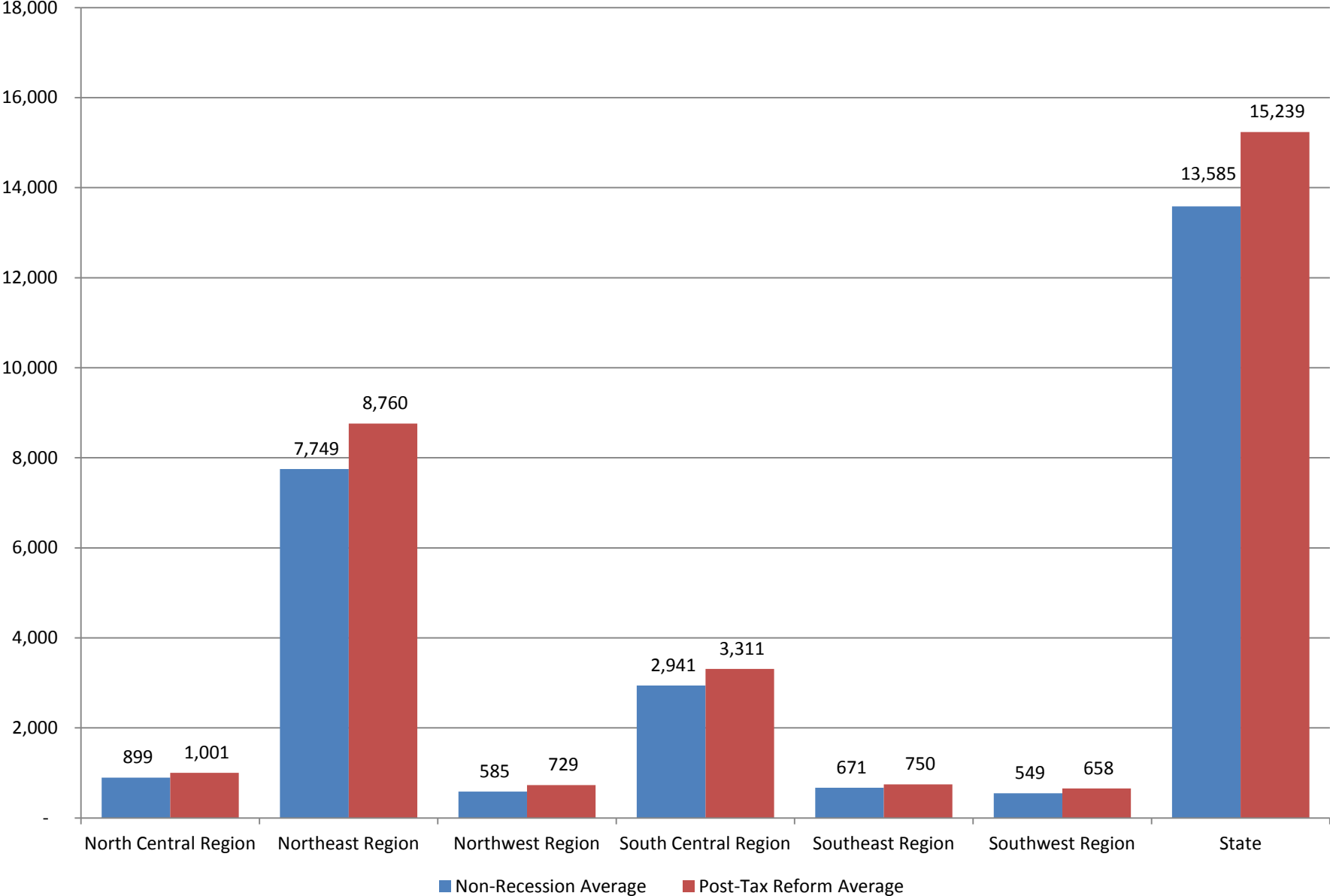
DOMESTIC NEW ENTITY FILINGS

		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Undefined		607	338	207	158	129	115	78	75	59	3
Region Total		11812	12591	12624	13196	12682	12272	12946	13571	14949	15466
Total Filings		12,419	12,929	12,831	13,354	12,811	12,387	13,024	13,646	15,008	15,469

Domestic New Entity Filings, 2004-2013



Domestic New Entity Filings by Region



Ratio of Domestic New Entity Filings: Post-Tax Reform Average ÷ Non-Recession Average

