

March 20, 2014

The Honorable Richard Carlson, Chairperson  
House Committee on Taxation  
Statehouse, Room 185-N  
Topeka, Kansas 66612

Dear Representative Carlson:

SUBJECT: Fiscal Note for HB 2714 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2714 is respectfully submitted to your committee.

HB 2714 would provide a sales tax exemption for each county council on aging, for the purpose of providing conditions and services which either directly or indirectly allow persons who are 60 years of age or older to live independently and to participate in a full and meaningful way in their community. The bill would exempt from sales tax all purchases of tangible personal property and services made by or on behalf of each county council on aging.

Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	(\$82,900)	(\$100,000)
Expenditure	--	--	\$1,500	\$1,500
FTE Pos.	--	--	--	--

The Department of Revenue estimates that HB 2747 would decrease state revenues by \$100,000 in FY 2015. Of that total, the State General Fund is estimated to decrease by \$82,900 in FY 2015, while the State Highway Fund is estimated to decrease by \$17,100 in FY 2015. The fiscal effect to state revenues during subsequent years is estimated to remain at or slightly above the \$100,000 amount. This bill is also estimated to decrease local sales tax revenues; however, the amount was not estimated. The Department of Revenue indicates that not all counties have a council on aging and some are a department within the county government and are already exempt from sales taxes.

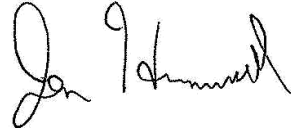
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According to the Department of Revenue, reissuing sales tax publications and issuing the tax entity exemption certificate would cost \$1,500. Any fiscal effect associated with HB 2747 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is written in a cursive style with a large initial "J" and "H".

Jon Hummell,  
Interim Director of the Budget

cc: Steve Neske, Department of Revenue  
Brad Ridley, Aging & Disability Services