

SESSION OF 2021

SUPPLEMENTAL NOTE ON SENATE BILL NO. 147

As Amended by House Committee on Taxation

Brief*

SB 147, as amended, would provide a sales tax exemption for purchases made by nonprofit integrated community care organizations, which would be defined by the bill.

“Nonprofit integrated community care organization” would be defined as any entity that is exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, certified to participate in the Medicare program as a hospice focused on providing care to the aging and indigent population across multiple counties, and approved by the Kansas Department for Aging and Disability Services to provide services under the Program of All-Inclusive Care for the Elderly (PACE).

The bill would also provide a sales tax exemption for the Friends of Hospice of Jefferson County for purchases made for the purposes of providing end-of-life hospice care, and on all sales of entry or participation fees, charges, or tickets for the fundraising event of the organization.

Background

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Kloos.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Senate Committee on Assessment and Taxation

In the Senate Committee hearing on the bill, **proponent** testimony was provided by a representative of Midland Care Connection, who stated the bill would provide uniform sales tax treatment for all PACE providers. Written-only **proponent** testimony was provided by LeadingAge Kansas.

No other testimony was provided.

House Committee on Taxation

At the House Committee hearing, **proponent** testimony was provided by a representative of Midland Care, who noted the bill would provide an exemption that other PACE provider organizations currently receive.

Written-only **proponent** testimony was provided by LeadingAge Kansas.

No neutral or opponent testimony was provided.

The House Committee amended the bill to include a sales tax exemption for Friends of Hospice of Jefferson County (HB 2413).

HB 2413

House Committee on Taxation

In the House Committee hearing on HB 2413, **proponent** testimony was provided by Representative Ellis and a representative of the Jefferson County Hospice Service. The proponents noted the bill would help support an organization that provides a valuable service to residents by offsetting the costs of sales taxes that negate much of the benefits of fundraising activities.

No additional testimony was provided.

Fiscal Information

SB 147

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the Department of Revenue indicates enactment of the bill would reduce state revenues by \$93,000 each year, which would include a \$78,000 reduction to State General Fund revenue. Any fiscal effect associated with the bill is not reflected in *The FY 2022 Governor's Budget Report*.

HB 2413

According to the fiscal note prepared by the Division of the Budget, the Department of Revenue estimates that the provisions of the bill, as introduced, if enacted, would decreased state revenues by \$4,300 in FY 2022, \$3600 from the State General Fund and \$700 from the State Highway Fund, with a similar fiscal effect in future fiscal years.

Taxation; sales tax; sales tax exemptions