

February 4, 2021

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 123-E
Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 71 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 71 is respectfully submitted to your committee.

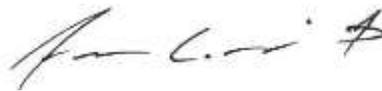
SB 71 would allow a taxpayer to receive a new non-refundable income tax credit for 50.0 percent of the total amount contributed to the Eisenhower Foundation beginning in tax year 2021 and continuing through tax year 2025. Individual income taxpayers would only be allowed to claim up to \$25,000 per tax year, and corporation income and privilege taxpayers would only be able to claim \$50,000 per tax year. The total amount of the tax credit would be capped at \$350,000 for any fiscal year and any unused tax credits would not be allowed to be carried forward into future tax years.

Estimated State Fiscal Effect				
	FY 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	--	--	(\$350,000)	(\$350,000)
Expenditure	--	--	\$109,009	\$109,009
FTE Pos.	--	--	--	--

The Department of Revenue estimates that SB 71 would decrease State General Fund revenues by \$350,000 in FY 2022. The Department of Revenue indicates that the bill would have a similar fiscal effect in future fiscal years. Eligible donations totaling \$700,000 to the Eisenhower Foundation would allow taxpayers to claim \$350,000 in tax credits, which is the maximum amount of tax credits that could be claimed in a fiscal year.

The Department of Revenue indicates that it would require a total \$109,009 from the State General Fund in FY 2022 to implement the bill and to modify the automated tax system. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. In addition, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with SB 71 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue