

SESSION OF 2021

SUPPLEMENTAL NOTE ON SENATE BILL NO. 147

As Recommended by Senate Committee on
Assessment and Taxation

Brief*

SB 147 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).

Background

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

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.

*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>

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget, 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*.

Taxation; sales tax; sales tax exemptions