

SESSION OF 2021

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 71**

As Amended by House Committee on Taxation

**Brief\***

SB 71, as amended, would authorize, for tax years 2021 to 2025, nonrefundable income or financial institutions privilege tax credits equivalent to 50.0 percent of certain contributions to the Eisenhower Foundation. Credits would be capped at \$25,000 for any individual income taxpayer and at \$50,000 for any corporation income or privilege taxpayer. The total amount of credits claimed in any fiscal year would be limited to \$350,000.

The bill would authorize an identical credit for contributions to the Friends of Cedar Crest Association, with identical conditions, limits, and total annual credit amounts.

The bill would also extend the sunset on the single city port authority tax credit from the end of tax year 2021 to the end of tax year 2024 and would expand the credit to be available to all income taxpayers. Current law limits the credit to corporation income taxpayers.

**Background**

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

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\*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>

## **SB 71**

### *Senate Committee on Assessment and Taxation*

In the Senate Committee hearing, **proponent** testimony was offered by a representative of the Eisenhower Foundation and by a member of the Eisenhower family stating the bill's provisions would support the efforts of the Eisenhower Foundation to improve the Eisenhower Presidential Library and Museum.

No other testimony was provided.

### *House Committee on Taxation*

In the House Committee hearing, **proponent** testimony was provided by Representative Barker, two members of the Eisenhower family, and representatives of the Eisenhower Foundation and the Friends of Cedar Crest Association. Proponents generally stated the bill would help to honor and preserve the legacy of Dwight D. Eisenhower by providing support for the Eisenhower Presidential Library. One proponent requested an amendment to the bill to provide the same tax credit provided for by the bill to the Friends of Cedar Crest Association.

No additional testimony was provided.

The House Committee amended the bill to

- Provide for a tax credit for the Friends of Cedar Crest Association comparable to the one for the Eisenhower Foundation; and
- Include the provisions of SB 49.

## **SB 49**

### *Senate Committee on Assessment and Taxation*

In the Senate Committee hearing on SB 49, **proponent** testimony was provided by a representative of WATCO.

Written-only **proponent** testimony was provided by the Kansas Grain and Feed Association and the Kansas Cooperative Council.

There was no other testimony.

The Senate Committee amended the bill to reduce the extension of the sunset from tax year 2041 to tax year 2024.

## **Fiscal Information**

### **SB 71**

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue estimates the provisions of the bill would reduce State General Fund revenues by \$350,000 in FY 2022 and future fiscal years for which the tax credit is available. Any fiscal effect associated with the bill is not reflected in *The FY 2022 Governor's Budget Report*.

[*Note:* The fiscal note on SB 71 does not apply to prospective credits for contributions to the Friends of Cedar Crest, as provided for by a House Committee amendment.]

### **SB 49**

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the Department of Revenue indicates the provisions of the bill would have the

potential to reduce corporation and individual income tax receipts, but noted no single city port authority credits have been claimed since 2013 and the Department of Revenue does not have data to estimate the amount of credits that would be claimed if the provisions of the bill were enacted. Any fiscal effect associated with the provisions of SB 49 is not reflected in *The FY 2022 Governor's Budget Report*.

A fiscal note on the amended bill was not immediately available.

Income tax; tax credits; Eisenhower Foundation; Friends of Cedar Crest Association; Single City Port Authority Tax Credit