

February 28, 2011

The Honorable Richard Carlson, Chairperson
House Committee on Taxation
Statehouse, Room 274-W
Topeka, Kansas 66612

Dear Representative Carlson:

SUBJECT: Fiscal Note for HB 2278 by House Committee on Veterans, Military and
Homeland Security

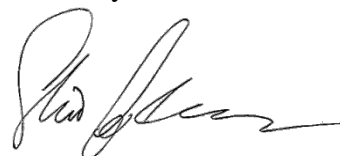
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2278 is respectfully submitted to your committee.

HB 2278 would create an individual income tax checkoff program for the Kansas Hometown Heroes Fund. Taxpayers would have the option of adding a donation on their Kansas individual income tax form to the Kansas Hometown Heroes Fund in the amount of \$1, \$5, \$10, or any other amount. All monies collected would be used solely for the purpose of funding the continued operations of the Veteran Services Program of the Kansas Commission on Veterans Affairs.

The Department of Revenue indicates HB 2278 would have no fiscal effect on State General Fund revenues. The Department of Revenue and the Kansas Commission on Veterans Affairs are unable to estimate the amount of revenue that would be generated as a result of this new checkoff program. The Kansas Commission on Veterans Affairs indicates that any additional monies received from this new checkoff program would be used for the continued operations of the Veteran Services Program and could be administered within existing staff levels.

The Department of Revenue indicates the bill would require \$67,640 from the State General Fund in FY 2012 for administrative costs to modify the automated tax system. The Department estimates that the bill would require 1,388 hours of in-house programming and 880 hours of testing which would be performed by existing staff of the Department of Revenue. However, 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, expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with HB 2278 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue

Kafer Peele, Veterans Affairs