

SESSION OF 2011

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2091

As Recommended by House Committee on
Taxation

Brief*

HB 2091 would decrease the sales and use tax rate from 6.3 to 5.3 percent on July 1, 2011, and would make a number of adjustments relating to the disaggregation of revenues for the State General Fund (SGF) and the State Highway Fund (SHF).

The SHF would receive 13/106ths of the receipts at the 5.3 percent rate, and the SGF would receive the balance.

Background

Legislation enacted in 2010 increased the rate from 5.3 to 6.3 percent and subsequently provided for the rate to be decreased to 5.7 percent in 2013. This bill would make the 5.3 percent rate permanent.

The 2010 legislation also provided for increased percentages of receipts to be deposited in the SHF. This bill would restore the SGF-SHF split that had been in effect prior to the rate increase.

The House Taxation Committee received written testimony in support of the bill from Americans for Prosperity-Kansas. Opponents included the Kansas National Education Association, the Kansas Economic Progress Council, and various local chambers of commerce.

*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>

The fiscal impact of legislation would be as follows:

	(\$ in millions)		
	<u>Total</u>	<u>SGF</u>	<u>SHF</u>
FY 2012	\$ (391.057)	\$ (367.836)	\$ (23.221)
FY 2013	\$ (441.539)	\$ (416.071)	\$ (25.468)
FY 2014	\$ (205.647)	\$ (35.887)	\$ (169.759)
FY 2015	\$ (189.195)	\$ 0.000	\$ (189.195)
FY 2016	\$ (195.817)	\$ 0.000	\$ (195.817)
5-yr total	\$ (1,423.254)	\$ (819.794)	\$ (603.459)