

April 8, 2019

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 236 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 236 is respectfully submitted to your committee.

Under current law, counties are allowed to impose a countywide sales tax of up to 1.0 percent that is charged in increments of 0.25 percent. Beginning on July 1, 2019, SB 236 would allow counties to impose a countywide sales tax of up to 1.0 percent for general purposes and up to 1.25 percent for special purposes that is charged in increments of 0.05 percent. The county would be required to specify the purpose of the special countywide sales tax and the revenue collected could only be used for that purpose. The special purpose countywide sales tax would expire no later than ten years after it is first collected. The bill would not allow a countywide sales tax to be implemented without first being approved by a majority of the electors of that county. For counties that have already received legislative approval to increase their countywide sales tax rate above the countywide rate limitation as of July 1, 2019, the additional sales tax rate authority would continue until it expires or is repealed and would be included in the computation of the new countywide sales tax rate limitation.

The Department of Revenue indicates SB 236 would affect only local sales tax collections in counties and would have no fiscal effect on state revenues. The Department indicates that the administrative costs associated with implementing the provisions of the bill would be negligible and could be absorbed within existing resources. The Kansas Association of Counties indicates that the bill would provide additional local control for counties to set countywide sales tax rates for general and special purposes.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Jay Hall, Association of Counties
Lynn Robinson, Department of Revenue