

SESSION OF 2020

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2538**

As Amended by House Committee on Taxation

**Brief\***

HB 2538, as amended would increase the Kansas standard deduction amounts for individual income taxpayers beginning in tax year 2020 as follows:

- For single filers, from \$3,000 to \$4,000;
- For married taxpayers filing jointly, from \$7,500 to \$8,000; and
- For heads of household filers, from \$5,500 to \$6,000.

**Background**

The bill was introduced by the House Committee on Taxation at the request of Representative Gartner.

In the House Committee hearing, Representative Gartner presented proponent testimony on the bill, noting that expanding the standard deduction provided tax relief for more Kansans than allowing all taxpayers the option to itemize deductions. A representative of the Kansas Policy Institute also appeared as a proponent. Written-only neutral testimony was submitted by Kansas Action for Children. No opponent testimony was provided.

The bill, as introduced, would have continued to increase standard deduction amounts in subsequent years by

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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>

indexing them based on the rate of inflation. The House Committee amended the bill to remove the indexation provision.

A fiscal note provided by the Division of the Budget on the bill, as introduced, indicated that the Department of Revenue would expect to incur an additional \$20,845 in administrative costs for FY 2021 to implement the bill. A representative of the Department stated verbally on February 12 that the amended version of the bill would be expected to reduce State General Fund receipts by \$48.4 million in FY 2021; \$37.6 million in FY 2022; and \$38.0 million in FY 2023. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.