

SESSION OF 2019

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 178**

As Recommended by Senate Committee on  
Assessment and Taxation

**Brief\***

SB 178 would provide a sales tax exemption for purchases made by nonprofit integrated community care organizations, which would be defined by the bill.

“Nonprofit community care organization” would be defined as any entity that is exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, certified to participate in Medicare as a hospice focused on providing care to the aging and indigent population across multiple counties, and approved by the Kansas Department of Aging and Disability Services to provide services under the Program of All-Inclusive Care for the Elderly.

**Background**

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Midland Care Connection.

During the Senate Committee hearing, a representative of Midland Care Connection testified in support of the bill. No opponent or neutral testimony was provided.

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue estimates enactment of the bill would reduce all funds receipts 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>

\$257,000 in fiscal year 2020, of which \$215,500 would come from the State General Fund. The remaining \$41,500 reduction would be in State Highway Fund receipts. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2020 Governor's Budget Report*.