

SESSION OF 2005

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2102

As Recommended by House Committee on
Taxation

Brief*

HB 2102 would expand a current sales tax exemption available for purchases associated with the construction, reconstruction, remodeling, or enlarging of a facility located within an enterprise zone. Facilities located within Saline County which will have their titles conveyed would qualify for the exemption through April 1, 2007.

Under current law, only purchases associated with certain facilities which are leased for at least five years qualify for the exemption.

Background

Proponents, who included Senator Brungardt, the Salina Airport Authority, and the Salina Area Chamber of Commerce, said that an existing business seeking to expand, Salina Vortex, is working with the airport authority to build a bigger facility that the business wants to own instead of lease. Testimony from the Salina Chamber said that the business' potential investment decision was "contingent upon obtaining the amendment" to KSA 2004 Supp 74-50,115 that is embodied in the bill.

A fiscal note from the Department of Revenue could not provide a specific estimate relative to the potential reduction in sales tax receipts.

*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>