

SESSION OF 2006

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2640

As Recommended by House Committee on
Taxation

Brief*

HB 2640 would exempt from sales taxation manufacturers' rebates on motor vehicles, if the rebates are paid directly to the retailer.

Background

State Representative David Huff testified in favor of the bill. Also testifying as proponents were two citizens and a representative of the Kansas Automobile Dealers Association. No one testified in opposition to the bill.

The fiscal note indicated passage of the bill would result in an estimated decline of \$10.9 million in state sales tax receipts and \$3.9 million in local sales tax receipts in Fiscal Year 2007.

*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>