

March 1, 2011

The Honorable Richard Carlson, Chairperson
 House Committee on Taxation
 Statehouse, Room 274-W
 Topeka, Kansas 66612

Dear Representative Carlson:

SUBJECT: Fiscal Note for HB 2361 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2361 is respectfully submitted to your committee.

HB 2361 would provide a sales tax exemption for the Civil Air Patrol, for the purpose of providing or performing education, training, missions or services relating to community emergency services, disaster relief, drug reduction, homeland security assistance, aerospace education, and youth development programs. The bill would exempt from sales tax all sales and purchases of tangible personal property and services made by or on behalf of any national, regional division, state wing, or local unit of the Civil Air Patrol.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	(\$4,437)	(\$5,000)
Expenditure	--	--	\$1,575	\$1,575
FTE Pos.	--	--	--	--

The Department of Revenue estimates that HB 2361 would decrease state revenues by \$5,000 in FY 2012. Of that total, the State General Fund is estimated to decrease by \$4,437, while the State Highway Fund is estimated to decrease by \$563 in FY 2012. This bill is also estimated to decrease local revenues by \$1,250 in FY 2012. The fiscal effect to revenues during subsequent years would be as follows:

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
State General Fund	(\$4,594)	(\$3,933)	(\$4,071)	(\$4,213)
State Highway Fund	(581)	(913)	(945)	(978)
Local Governments	<u>(1,294)</u>	<u>(1,212)</u>	<u>(1,254)</u>	<u>(1,298)</u>
	(\$5,369)	(\$6,058)	(\$6,270)	(\$6,489)


The Honorable Richard Carlson, Chairperson

March 1, 2011

Page 2—Fisc_Note_Hb2361

According to the Department of Revenue, updating sales tax publications would cost \$1,575 from the State General Fund in FY 2012. Any fiscal effect associated with HB 2361 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue