

March 21, 2012

The Honorable Les Donovan, Chairperson  
Senate Committee on Assessment and Taxation  
Statehouse, Room 123-E  
Topeka, Kansas 66612

Dear Senator Donovan:

**SUBJECT:** Fiscal Note for SB 468 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 468 is respectfully submitted to your committee.

Under current law, the renewable electric cogeneration facility tax credit is set to sunset after tax year 2011. SB 468 would allow the tax credit to continue to be claimed through tax year 2016. The bill would take effect upon its publication in the *Kansas Register*.

According to the Department of Revenue, enactment of SB 468 has the potential to reduce State General Fund revenues in FY 2012 through FY 2017, but the fiscal effect is estimated to be negligible. The Department indicates that no taxpayers have claimed a significant amount of renewable electric cogeneration facility tax credits since the tax credit was authorized by the 2007 Legislature. The Department does not expect any significant tax credits to be issued in the next few years and extending this tax credit to tax year 2016 would provide a negligible and limited reduction of state income tax receipts.

The Department of Commerce indicates that it currently manages the renewable electric cogeneration facility tax credit. The agency indicates that the costs associated with continuing to administer this tax credit program would be negligible and could be absorbed within existing resources and staff levels. Any fiscal effect associated with SB 468 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,



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

cc: Steve Neske, Revenue  
Jason Glasrud, Commerce