

March 21, 2014

The Honorable Richard Carlson, Chairperson  
House Committee on Taxation  
Statehouse, Room 185-N  
Topeka, Kansas 66612

Dear Representative Carlson:

SUBJECT: Fiscal Note for HB 2766 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2766 is respectfully submitted to your committee.

HB 2766 would provide a sales tax exemption for the Helping Hands Humane Society, Inc., for the purpose of advocating for animal welfare and providing sanctuary for animals in need of compassionate care and protection. The bill would exempt from sales tax all purchases of tangible personal property and services made by or on behalf of the Helping Hands Humane Society, Inc.

Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	(\$8,293)	(\$10,000)
Expenditure	--	--	\$2,200	\$2,200
FTE Pos.	--	--	--	--

The Department of Revenue estimates that HB 2766 would decrease state revenues by \$10,000 in FY 2015. Of that total, the State General Fund is estimated to decrease by \$8,293 in FY 2015, while the State Highway Fund is estimated to decrease by \$1,707 in FY 2015. This bill is also estimated to decrease local sales tax revenues by \$2,500 in FY 2015. The fiscal effect to revenues during subsequent years would be as follows:

The Honorable Richard Carlson, Chairperson

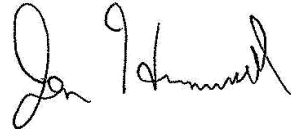
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	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
State General Fund	(\$8,604)	(\$8,926)	(\$9,261)	(\$9,608)
State Highway Fund	(1,771)	(1,838)	(1,907)	(1,978)
Local Governments	<u>(2,594)</u>	<u>(2,691)</u>	<u>(2,792)</u>	<u>(2,897)</u>
	(\$12,969)	(\$13,455)	(\$13,960)	(\$14,483)

According to the Department of Revenue, reissuing sales tax publications, updating computer systems, and issuing the tax entity exemption certificate would cost \$2,200. Any fiscal effect associated with HB 2766 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,



Jon Hummell,  
Interim Director of the Budget

cc: Steve Neske, Department of Revenue