

February 18, 2016

REVISED

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

Dear Representative KleeB:

SUBJECT: Revised Fiscal Note for HB 2499 by House Committee on Taxation

In accordance with KSA 75-3715a, the following revised fiscal note concerning HB 2499 is respectfully submitted to your committee.

HB 2499 would allow the Sherwood Improvement District Board of Directors to submit to voters the question of imposing up to a 1.0 percent sales tax to be collected within the district for the purpose of financing the costs of road and drainage improvements and maintenance within the boundaries of the district. The bill includes public hearing and notification requirements.

Estimated State Fiscal Effect				
	FY 2016 SGF	FY 2016 All Funds	FY 2017 SGF	FY 2017 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$10,005	\$10,005
FTE Pos.	--	--	--	--

The Department of Revenue indicates HB 2499 would affect only local sales tax collections in the Sherwood Improvement District and would have no fiscal effect on state revenues. The Department of Revenue indicates the bill would require \$10,005 from the State General Fund in FY 2017 for administrative costs to implement the bill, including changes to sales tax publications and modifications to the Department's computer system to collect and process retail sales taxes from each taxing jurisdiction. In the fiscal note statement originally issued, the Department provided an incorrect estimate of its administration costs. The required programming for this bill by itself would be performed by existing staff of the Department of

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Revenue. However, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with HB 2499 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Jack Smith, Department of Revenue
Melissa Wangemann, Association of Counties
Larry Baer, League of Municipalities