

SESSION OF 2018

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2488

As Amended by Senate Committee on
Assessment and Taxation

Brief*

HB 2488, as amended, would remove the word “alcohol” from the definition of “special fuels” in KSA 2017 Supp. 79-3401(s).

Background

The bill was introduced by the House Committee on Taxation at the request of the Department of Revenue (Department).

In a hearing before the House Committee on Taxation on January 23, a representative of the Department testified as a proponent, stating the bill would clarify how fuels are taxed. The testimony indicated motor-vehicle fuel blended with alcohol would be taxed at the gasoline rate of \$0.24 per gallon rather than the special fuel rate of \$0.26 per gallon. The proponent suggested an amendment to the definition of “motor-vehicle fuels” that was later adopted by the House Committee.

A representative of Renew Kansas testified as neutral, expressing concern over unintended negative effects on the treatment of agricultural ethyl alcohol or ethanol.

During the hearing before the Senate Committee on Assessment and Taxation on March 20, a representative of Renew Kansas explained that further discussions with the

*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>

Department had determined the House Committee amendment was not necessary and recommended the bill be returned to its original form. The Senate Committee subsequently removed the House Committee amendment.

A fiscal note prepared by the Division of the Budget indicates enactment of the bill would have no fiscal effect.