

SESSION OF 2018

SUPPLEMENTAL NOTE ON SENATE BILL NO. 415

As Recommended by Senate Committee on
Assessment and Taxation

Brief*

SB 415 would create a diversion of state sales tax receipts such that all collections by the Kansas State Fair (Fair) and retailers on the fairgrounds would be deposited into the State Fair Capital Improvements Fund (SFCIF), effective July 1, 2018. Current law allocates 83.846 percent of such collections to the State General Fund (SGF) and 16.154 percent to the State Highway Fund (SHF).

The bill also would repeal an existing statutory transfer from the SGF to the SFCIF. Current law sets that transfer at not more than \$100,000 per year for FY 2018 and FY 2019 and not more than \$300,000 per year in subsequent years.

Background

In the Senate Committee on Assessment and Taxation hearing on March 7, representatives of the Kansas Department of Agriculture and the Fair appeared as proponents, citing the inability of the Fair to maintain some of its facilities in the wake of enacted reductions to the SGF transfer amount in recent years. No other testimony was provided.

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue indicates the bill would be expected to divert \$350,000 per year in state sales tax collections beginning in FY 2019. Of this amount,

*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>

\$293,461 would represent a reduction in SGF receipts and \$56,539 would represent a reduction in SHF receipts. Transfers from the SGF also would be reduced by \$100,000 for FY 2019, relative to the amount reflected in *The FY 2019 Governor's Budget Report*. The net impact on the SGF would be a reduction of \$193,461 in receipts. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2019 Governor's Budget Report*.