

February 19, 2008

The Honorable Barbara Allen, Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 122-E
Topeka, Kansas 66612

Dear Senator Allen:

SUBJECT: Fiscal Note for SB 636 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 636 is respectfully submitted to your committee.

SB 636 would allow the State of Kansas to decouple from the federal business depreciation rules for taxable year 2008.

Estimated State Fiscal Effect				
	FY 2008 SGF	FY 2008 All Funds	FY 2009 SGF	FY 2009 All Funds
Revenue	\$25,200,000	\$25,200,000	\$58,800,000	\$58,800,000
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

The Department of Revenue estimates SB 636 would increase State General Fund tax receipts by \$84.0 million. The Department assumes that 30.0 percent, or \$25.2 million, would be collected in FY 2008 and 70.0 percent, or \$58.8 million, would be collected in FY 2009. The Division of the Budget notes that the change in federal tax code occurred after the November 5, 2007 consensus revenue estimate, and consequently, there would be no change in estimated revenues if SB 636 were enacted.

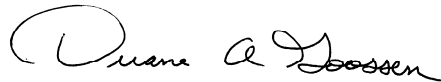
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The Department of Revenue indicates that any additional expenditures associated with the implementation of SB 636 could be absorbed within existing resources. Any fiscal effect associated with SB 636 is not reflected in *The FY 2009 Governor's Budget Report*.

Sincerely,

A handwritten signature in cursive script that reads "Duane A. Goossen". The signature is written in black ink and is positioned above the printed name and title.

Duane A. Goossen

Director of the Budget

cc: Steve Neske, Department of Revenue