

February 29, 2008

The Honorable Kenny Wilk, Chairperson
House Committee on Taxation
Statehouse, Room 242-W
Topeka, Kansas 66612

Dear Representative Wilk:

SUBJECT: Fiscal Note for HB 2899 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2899 is respectfully submitted to your committee.

HB 2899 would provide a sales tax exemption for resource and conservation development councils for the purpose of natural resource conservation and community development. The sales tax exemption would be for purchases and sales made by or on behalf of the organization.

Estimated State Fiscal Effect				
	FY 2008 SGF	FY 2008 All Funds	FY 2009 SGF	FY 2009 All Funds
Revenue	--	--	(\$35,080)	(\$40,000)
Expenditure	--	--	\$26,400	\$26,400
FTE Pos.	--	--	--	--

The Department of Revenue estimates that HB 2899 would decrease state revenues by \$40,000 in FY 2009. Of that total, the State General Fund is estimated to decrease by \$35,080 in FY 2009, while the State Highway Fund is estimated to decrease by \$4,920 in FY 2009. This bill also is estimated to decrease local revenues by \$10,000 in FY 2009. The fiscal effect to state revenues during subsequent years would be as follows:

The Honorable Kenny Wilk, Chairperson

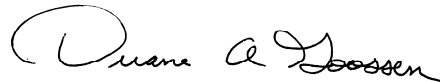
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	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
State General Fund	(\$35,782)	(\$36,497)	(\$37,227)	(\$37,972)
State Highway Fund	(5,018)	(5,119)	(5,221)	(5,326)
Local Governments	<u>(10,200)</u>	<u>(10,404)</u>	<u>(10,612)</u>	<u>(10,824)</u>
	(\$51,090)	(\$52,020)	(\$53,060)	(\$54,122)

According to the Department of Revenue, reissuing sales tax publications would cost \$26,400. Any fiscal effect associated with HB 2899 is not reflected in *The FY 2009 Governor's Budget Report*.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Steve Neske, Department of Revenue