

SESSION OF 2004

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2893**

As Amended by House Committee on  
Taxation

**Brief\***

HB 2893, as amended, would require the Secretary of Revenue to issue annual reports prior to each legislative session on the effect of exemptions, credits, discounts, exclusions, special valuations, special accounting treatments, special rates and special methods of reporting relating to sales, excise, and use taxes; income, privilege, and premiums taxes; franchise taxes; the 20-mill school district general fund levy and school district local option budget levies; and all other taxes generating more than five percent of state tax revenues. The report would be required to include an analysis of each special provision reducing the amount of tax payable, to include an estimate of the revenue loss for a three-year period for each such provision, and a citation of the statutory or legal authority for each such provision.

The bill also would require the Secretary to report to the Legislature by March 1 of each odd-numbered year on the overall incidence of income, sales, use, excise, and property taxes. The report would be required to provide various information on the distribution of the tax burden.

**Background**

The House Taxation Committee amended the bill to reduce from six to three years the period for which the fiscal impact of various special tax provisions is required to be quantified; and to incorporate several of the provisions of HB 2892 relating to the tax incidence study.

Both bills were supported by Kansas Action for Children. The Department of Revenue indicated that it would be able to complete both

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\*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>

the annual tax expenditure analysis and the biennial tax incidence study within the confines of existing resources.