

SESSION OF 2005

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2057

As Amended by House Committee on
Taxation

Brief*

HB 2057, as amended, would amend the motor vehicle tax valuation statutes effective in tax year 2006 to provide a valuation reduction equivalent to two vehicle classes (approximately 30 percent) for certain vehicles with rebuilt salvage titles or which formerly had nonhighway titles because they had been wrecked or damaged pursuant to flood or fire.

Background

The bill was requested for introduction and supported by Representative Bethell. The Committee amendments also were suggested by Representative Bethell after discussions about alleviating additional administrative work for county treasurers.

A fiscal note on the original bill (which would have provided for a 25 percent reduction in the original midpoint class valuation amounts for the affected vehicles) indicated that local motor vehicle tax receipts would be expected to decline by about \$2.5 million in tax year 2006; \$5.0 million in tax year 2007; and \$7.5 million in tax year 2008. The fiscal impact to the state would be minimal, since motor vehicle taxes are no longer distributed to school district general funds.

*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>