

February 11, 2025

The Honorable Caryn Tyson, Chairperson  
 Senate Committee on Assessment and Taxation  
 300 SW 10th Avenue, Room 548-S  
 Topeka, Kansas 66612

Dear Senator Tyson:

**SUBJECT:** Fiscal Note for SB 74 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 74 is respectfully submitted to your committee.

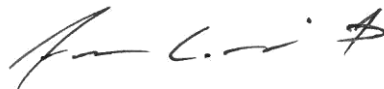
SB 74 would establish a refundable income tax credit equal to 25.0 percent of the expenditures made to purchase lockable gun and ammunition storage. The amount of tax credit allowed each tax year would not exceed \$250 for any taxpayer. The credit would be in effect from tax year 2025 through tax year 2027 and would only be allowed to be claimed by Kansas residents.

Estimated State Fiscal Effect			
	FY 2025	FY 2026	FY 2027
<b>Expenditures</b>			
State General Fund	--	\$177,221	\$72,191
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$177,221	\$72,191
<b>Revenues</b>			
State General Fund	--	(\$16,600,000)	(\$17,800,000)
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	(\$16,600,000)	(\$17,800,000)
FTE Positions	--	1.00	1.00

The Department of Revenue estimates that SB 74 would decrease State General Fund revenues by \$16.6 million in FY 2026, \$17.8 million in FY 2027, and \$19.0 million in FY 2028. To formulate these estimates, the Department of Revenue reviewed data on gun ownership from the Rand Research Organization that estimates that 48.9 percent of Kansas Households own a gun. Gun safes are an infrequent purchase, and Pew Research reports that only 36.0 percent of gun owners have all their firearms in a locked place. Based on the current prices of the most popular gun safes from several major retailers, the average credit claimed is expected to be \$81.32. If gun owners purchase a new safe every 20 years, there is an expected impact of \$16.6 million. Current market trends suggest that the sales of gun safes are expected to grow at a rate of 6.9 percent.

The Department of Revenue indicates that the bill would require \$177,221 from the State General Fund in FY 2026 to implement the bill and to modify the automated tax system. The bill would require the Department to hire 1.00 new FTE position to answer questions from taxpayers and to assist with the administration of this new program. The Department estimates that ongoing expenses for salaries and wages for the 1.00 FTE position and overhead expenses would total \$72,191 from the State General Fund in FY 2027. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. In addition, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with SB 74 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt  
Director of the Budget

cc: Lynn Robinson, Department of Revenue