



Adam C. Proffitt, Director

Laura Kelly, Governor

January 24, 2025

The Honorable Adam Smith, Chairperson
 House Committee on Taxation
 300 SW 10th Avenue, Room 346-S
 Topeka, Kansas 66612

Dear Representative Smith:

SUBJECT: Fiscal Note for HB 2024 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2024 is respectfully submitted to your committee.

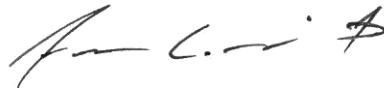
HB 2024 would enact the Fighting Chance for Firefighters Act. The bill would provide a nonrefundable income tax credit of up to \$250 for the amount of unreimbursed expenses incurred and paid by a resident firefighter for any medical procedure to detect cancer. The total amount of tax credits would be limited to \$1.5 million in tax year 2025. For tax year 2026 and in each future tax year, taxpayers would be able claim overall tax credits above \$1.5 million, but in the next tax year the Department of Revenue would lower the individual income tax credit amount to not exceed the overall limitation of \$1.5 million in that tax year. If the tax credit amount exceeds the taxpayer's Kansas adjusted gross income for that taxable year, the amount that exceeds the Kansas adjusted gross income could be carried forward for up to five years. The Department of Revenue would have the authority to write rules and regulations to implement the bill.

Estimated State Fiscal Effect			
	FY 2025	FY 2026	FY 2027
Expenditures			
State General Fund	--	\$160,831	\$72,181
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$160,831	\$72,181
Revenues			
State General Fund	--	(\$1,500,000)	(\$1,500,000)
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	(\$1,500,000)	(\$1,500,000)
FTE Positions	--	1.00	1.00

The Department of Revenue estimates that HB 2024 would decrease State General Fund revenues by \$1.5 million in FY 2026. It is assumed that the maximum credit amount would be claimed in each tax year. The bill is estimated to have similar reductions of State General Fund revenue in future fiscal years.

The Department indicates that the bill would require \$160,831 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. The Department estimates that ongoing expenses for salaries and wages for the 1.00 FTE position and overhead expenses would total \$72,181 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 HB 2024 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