



March 3, 2026

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 2599 by Representative Bohi, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2599 is respectfully submitted to your committee.

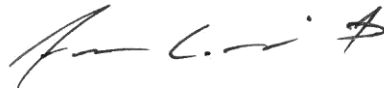
HB 2599 would enact the Kansas Lemonade Stand Law. For businesses solely owned and operated by a minor and offering sales or services only on an intermittent or seasonal basis, the business would not be required to collect retail sales tax on the first \$10,000 in sales. The bill would also exempt the minor-owned business from any local taxes, fees, licensure, permits, or other government permissions for operation. The bill would become effective on July 1, 2026.

The Department of Revenue estimates that HB 2599 has the potential to decrease state and local sales tax revenues by unknown and negligible amounts beginning in FY 2027. The state funds directly affected by this bill would be the State General Fund and the State Highway Fund. The Department does not have sufficient information on how many businesses would qualify for this new sales tax exemption to make a precise estimate of the reduction to state and local sales tax revenues; however, any fiscal effect is estimated to be negligible. According to the Department, reissuing publications and revising forms would cost \$2,010 from the State General Fund in FY 2027.

The Kansas Department of Transportation indicates that the bill would reduce State Highway Fund revenues as noted above. Any fiscal effect associated with HB 2599 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that the bill would provide a net reduction to local sales tax collections that are used in part to finance local governments.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish.

Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Brendan Yorkey, Department of Transportation
Bruce Chladny, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities