



Adam C. Proffitt, Director

Laura Kelly, Governor

February 20, 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 2629 by Representative Osman, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2629 is respectfully submitted to your committee.

Under current law, the standard deduction for the calculation of Kansas income taxes is set at \$3,605 for single individual taxpayers, \$8,240 for married filing status, and \$6,180 for head of household. HB 2629 would increase the standard deduction to \$3,805 for single individual taxpayers, \$8,640 for married filing status, and \$6,480 for head of household beginning in tax year 2026.

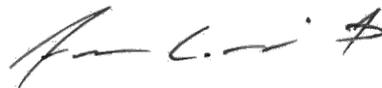
Estimated State Fiscal Effect			
	FY 2026	FY 2027	FY 2028
Expenditures			
State General Fund	--	\$40,330	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$40,330	--
Revenues			
State General Fund	--	(\$13,800,000)	(\$10,700,000)
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	(\$13,800,000)	(\$10,700,000)
FTE Positions	--	--	--

The Department of Revenue estimates that HB 2629 would decrease State General Fund revenues by \$13.8 million in FY 2027, \$10.7 million in FY 2028, and \$10.8 million in FY 2029. To formulate these estimates, the Department of Revenue simulated this tax policy change based on actual tax return data from tax year 2024. The simulation resulted in a decrease of \$10.4 million in tax liability. The estimate assumes that the number of tax returns will increase 1.0 percent each year. The bill would become effective in tax year 2026, with the first impact being seen in FY 2027. The estimate for FY 2027 includes 100.0 percent of tax year 2026 tax liability and 30.0 percent of tax year 2027 tax liability. The estimate for FY 2028 includes 70.0 percent of tax year 2027 tax liability and 30.0 percent of tax year 2028 tax liability.

The Department indicates that the bill would require \$40,330 from the State General Fund in FY 2027 to implement the bill and to modify the automated tax system. 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.

The Department of Administration indicates that adjusting state income tax collections has the potential to have a fiscal effect on the amount of revenue collected from its debt setoff program. This program intercepts individual income tax refunds and homestead tax refunds and applies those amounts to debts owed to state agencies, municipalities, district courts, and state agencies in other states. Debts include, but are not limited to child support, taxes, educational expenses, fines, services provided to the debtor, and court-ordered restitution. As the dollar amounts of refunds would be increased, the amount available for possible debt setoffs would also be increased. However, the Department is unable to make a precise estimate of the amount of debt setoffs that would be intercepted as a result of the bill. Any fiscal effect associated with HB 2629 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Samir Arif, Department of Administration