



Adam C. Proffitt, Director

Laura Kelly, Governor

January 29, 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 26 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 26 is respectfully submitted to your committee.

SB 26 would provide a sales tax exemption on purchases, rentals, and leases of tangible personal property and purchases of services by a bowling center. The bill specifies that the exemption would apply to the purchase of equipment and machinery such as automatic pin setters, ball returns, lane machines, score screens, and tables; bowling pins, bowling balls, and bowling shoes; conditioners, cleaners, parts, and supplies; televisions, furniture, and fixtures; reusable tableware; janitorial equipment and supplies; security cameras and other security equipment; office equipment and supplies; repair and remodeling services; parts and labor services; and warranty or service agreements for tangible personal property.

The exemption would apply to the operation of a bowling alley and associated food and beverage operations, vending machines, bowling related merchandise sales, pro shop services, shoe rentals, arcade or video games, and pool tables. The exemption would not apply to purchases by a bowling center for miniature golf or go-kart related items.

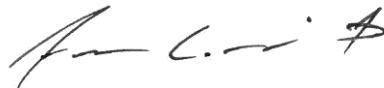
Estimated State Fiscal Effect			
	FY 2025	FY 2026	FY 2027
<b>Expenditures</b>			
State General Fund	--	\$2,010	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$2,010	--
<b>Revenues</b>			
State General Fund	--	(\$1,600,000)	(\$1,800,000)
Fee Fund(s)	--	(400,000)	(400,000)
Federal Fund	--	--	--
Total Revenues	--	(\$2,000,000)	(\$2,200,000)
FTE Positions	--	--	--

The Department of Revenue estimates that SB 26 would reduce state revenues by \$2.0 million in FY 2026. Of this amount, State General Fund revenues are estimated to decrease by \$1.6 million, while State Highway Fund revenues are estimated to decrease by \$400,000. The Department indicates that the bill would reduce state revenues by \$2.2 million in FY 2027 and each subsequent fiscal year. Of this amount, State General Fund revenues are estimated to decrease by \$1.8 million per fiscal year, while State Highway Fund revenues are estimated to decrease by \$400,000 per fiscal year. The bill is also expected to reduce local sales tax revenues; however, a specific estimate of this reduction was not calculated by the Department of Revenue. The Department indicates that reissuing sales tax publications and revising forms would cost \$2,010 from the State General Fund in FY 2026.

The Kansas Department of Transportation indicates that the bill would reduce State Highway Fund revenues as noted above. Any fiscal effect associated with SB 26 is not reflected in *The FY 2026 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. This bill has the potential to reduce revenues that are pledged to repay STAR bond projects; however, it is known what impact the bill would have on the viability of these projects.

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  
Brendan Yorkey, Department of Transportation  
Wendi Stark, League of Kansas Municipalities  
Jay Hall, Kansas Association of Counties