

April 28, 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 278 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 278 is respectfully submitted to your committee.

SB 278 would provide a sales tax exemption to Care to Share Cancer Support Group of Bourbon County for the purpose of providing a cancer support group and services for people with cancer. The exemption would apply to all sales of tangible personal property and services made by or on behalf of the non-profit organization. The bill would take effect on July 1, 2025; however, for purchases made on or after July 1, 2024, and prior to the effective date of the bill, the organization would be eligible to submit a sales tax refund request.

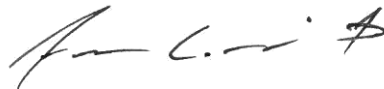
Estimated State Fiscal Effect			
	FY 2025	FY 2026	FY 2027
Expenditures			
State General Fund	--	\$1,340	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$1,340	--
Revenues			
State General Fund	--	(\$8,600)	(\$3,300)
Fee Fund(s)	--	(1,900)	(700)
Federal Fund	--	--	--
Total Revenues	--	(\$10,500)	(\$4,000)
FTE Positions	--	--	--

The Department of Revenue estimates that SB 278 would reduce state revenues by \$10,500 in FY 2026. Of this amount, State General Fund revenues are estimated to decrease by \$8,600, while State Highway Fund revenues are estimated to decrease by \$1,900. In FY 2027, the bill would reduce state revenues by \$4,000, including \$3,300 from the State General Fund and \$700 from the State Highway Fund. The reduction to state revenues in FY 2028 and subsequent fiscal years would remain at or slightly above the \$4,000 amount. The Department indicates that the higher estimate for FY 2026 is attributable to the FY 2025 refund provision of the bill and a major purchase that the organization plans to make during FY 2026. The Department also estimates that the bill would reduce local sales tax revenues by \$5,100 in FY 2026 and by \$2,000 in FY 2027 and subsequent fiscal years.

The Kansas Department of Transportation indicates that the bill would reduce State Highway Fund revenues as noted above. Any fiscal effect associated with SB 278 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 that are used in part to finance local governments. The bill also has the potential to reduce revenues that are pledged to repay STAR bond projects; however, it is unknown what impact this bill would have on the viability of those projects.

Sincerely,

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

Adam C. Proffitt
Director of the Budget

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