

SESSION OF 2026

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 434**

As Amended by Senate Committee of the Whole

**Brief\***

SB 434, as amended, would amend state law to utilize the federal process for determination of disability for disabled veterans from the uniformed services who qualify for certain retailer's tax exemptions.

The bill would require a veteran to have been discharged from active service under an honorable discharge or a general discharge under honorable conditions from any component of the uniformed services and be rated with a 100 percent permanent and total service-connected disability or a total disability rating based on unemployability according to federal law to qualify for certain retailer's sales tax exemptions.

The bill would include federal citations that include retirement or separation from a military component for physical disability and compensation for service-connected disability or death.

**Background**

The bill was introduced by the Senate Committee on Federal and State Affairs at the request of Senator Clifford.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

### ***Senate Select Committee on Veterans Affairs***

In the Senate Select Committee hearing, **proponent** testimony was provided by a representative of the Military Officers Association of America, who indicated the bill would treat both disability determination processes for active and former service members equally.

**Neutral** testimony was provided by a representative of the Kansas Office of Veterans Services, who requested clarification of intent from the Committee regarding the terms “honorably” and “armed forces.”

No other testimony was provided.

The Senate Select Committee amended the bill to replace the term “armed forces” with “uniformed services.”

### ***Senate Committee of the Whole***

The Senate Committee amended the bill to add a “general discharge under honorable conditions” to the type of discharge that would qualify a veteran for the exemption.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue estimates that the bill would have no fiscal effect on state and local sales tax revenues or the agency’s operations.

The League of Kansas Municipalities indicates that the change in language that determines who qualifies for this sales tax exemption has the potential to qualify additional individuals. If that is the case, the bill would provide a net reduction to local sales tax collections that are used in part to finance local governments. However, the League is unable to determine the exact fiscal effect on local sales tax revenue.

Veterans; sales tax; tax exemption; disability; disabled veterans