

February 21, 2011

The Honorable Les Donovan, Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 123-E
Topeka, Kansas 66612

Dear Senator Donovan:

SUBJECT: Fiscal Note for SB 193 by Senate Committee on Assessment and Taxation

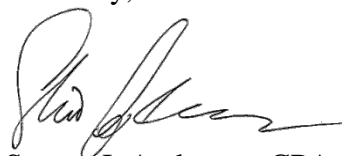
In accordance with KSA 75-3715a, the following fiscal note concerning SB 193 is respectfully submitted to your committee.

SB 193 would require any person claiming a food sales tax refund to provide the Department of Revenue with a valid Social Security number issued by the Social Security Administration for every claimant, household member, and dependent child, in addition to a clear statement showing that the claimant qualifies for the refund.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	\$2,391,751	\$2,391,751
Expenditure	--	--	\$42,690	\$42,690
FTE Pos.	--	--	--	--

The Department of Revenue estimates that SB 193 would increase revenue to the State General Fund by \$2,391,751 in FY 2012. The Department bases its assessment on the total number of claimants for food sales tax refunds in FY 2009 of 322,248, with refunds totaling \$42.4 million. Of this total, 9,773 taxpayers were allowed to use an Individual Taxpayer Identification Number (ITIN) to claim the refund for not having a valid Social Security number. Refunds to taxpayers using an ITIN in FY 2009 totaled \$2,391,751. The Department estimates SB 193 would increase expenditures from the State General Fund by \$42,690 in FY 2012 for 1,423 hours of contract programming time to update individual income tax return forms. Any fiscal effect associated with SB 193 is not included in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue