

January 30, 2013

The Honorable Richard Carlson, Chairperson  
House Committee on Taxation  
Statehouse, Room 285-N  
Topeka, Kansas 66612

Dear Representative Carlson:

**SUBJECT:** Fiscal Note for HB 2060 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2060 is respectfully submitted to your committee.

HB 2060 would amend current law by specifically prohibiting incarcerated persons from claiming the food sales tax refund and homestead property tax refund. Current law eliminates the food sales tax rebate program beginning in tax year 2013; however, the bill would prevent any invalid claims from incarcerated persons for prior years. Incarcerated persons would include any person confined in any correctional facility, juvenile correctional facility, correctional facility of the Federal Bureau of Prisons located in Kansas, or any city or county jail.

The Department of Revenue indicates that it has interpreted the current food sales tax refund and homestead property tax refund statutes as not applying to persons who are in prison. As a result, no fiscal effect from the passage of HB 2060 is anticipated. The Department further indicates that the Court of Tax Appeals recently awarded a state prisoner a food sales tax refund claim, despite the Department's opposition to the ruling. It is the Department's view that the bill would eliminate the risk that any future claims by incarcerated persons would be successful.

Sincerely,



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

cc: Steve Neske, Revenue