

January 22, 2014

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 265 by Senate Committee on Assessment and Taxation

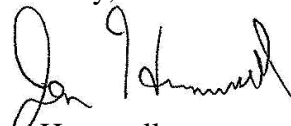
In accordance with KSA 75-3715a, the following fiscal note concerning SB 265 is respectfully submitted to your committee.

SB 265 would amend the definition of income to determine the eligibility for the Homestead Refund Program and the Selective Assistance for Effective Senior Relief (SAFESR) tax credit. The bill would require that non-wage business income be included in the calculation for determining the eligibility of these programs.

The Department of Revenue indicates SB 265 would have no fiscal effect on state revenues or expenditures. This bill would correct an unintended error that should have been included in the major income tax reduction bill from the 2012 Legislative Session (HB 2117). However, the Department indicates that if the error is not corrected, there is the potential for additional individuals who could participate in the Homestead Refund Program and the SAFESR tax credit in FY 2014 and each future fiscal year. The Department is unable to estimate the number of additional individuals who would participate in these programs to determine the potential reduction to State General Fund revenues.

The Department indicates that the costs associated with modifying the automated tax system and updating instructions would be negligible and could be absorbed within existing resources. Any fiscal effect associated with SB 265 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Steve Neske, Department of Revenue