

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2255

As Amended by House Committee on
Commerce, Labor and Economic Development

Brief*

HB 2255, as amended, would authorize the refund of state sales taxes paid on certain telecommunications machinery and equipment, beginning with purchases made on and after July 1, 2015.

One half of the state sales taxes paid on purchases made from July 1, 2015, through December 31, 2016, would be eligible to be refunded under the provisions of the bill.

The full amount of state sales taxes paid on purchases would qualify for the refund beginning on January 1, 2017. Refunds for the full amount would be paid within one year after the claim was received by the Department of Revenue.

Background

Proponents included representatives of telecommunications companies, the Kansas Cable Telecommunications Association, the Kansas Grain and Feed Association, the Kansas Chamber, Cox Communications, and Representative Garber. Proponents stated the bill would allow for faster investment in telecommunication networks in the state, the consumer demand for which continues to grow.

There was no opponent testimony.

*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 <http://www.kslegislature.org>

The House Committee on Commerce, Labor, and Economic Development amended the bill to delay refunds until 2015. For 2015 and 2016, refunds would be half of the amount paid in state sales tax. Starting in 2017, the full amount to be paid would be refunded within a year after the claim is filed.

The fiscal note prepared by the Division of the Budget on the original bill noted it would reduce revenues to the State General Fund by \$16.5 million for FY 2014 and increase operating expenditures for the Department of Revenue by \$174,700. A revised fiscal note on the amended version of the bill is not immediately available.