

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 2378**

As Recommended by Senate Committee on  
Assessment and Taxation

**Brief\***

Senate Sub. for HB 2378 would clarify the “integrated plant” sales tax exemption to stipulate that it would include all equipment used in certain surface mining activities beginning from the time reclamation plans are filed to the acceptance of complete final site reclamations.

**Background**

HB 2378 was introduced and considered in the House during the 2013 Legislative Session. At the 2013 House Committee hearing, proponents, including the Kansas Aggregate Producers’ Association, said it was their belief the integrated plan exemption enacted in 2000 was intended to include surface mining.

In 2014, representatives from the Kansas Aggregate Producers’ Association, Alsop Sand Co., Inc., and Bayer Construction Company provided supporting testimony in the Senate Committee on Assessment and Taxation.

The Senate Committee made a technical amendment to update the statute referenced in the bill. The Committee then adopted a substitute bill.

The latest fiscal information from the Department of Revenue in 2014 indicated the bill would be expected to

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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 <http://www.kslegislature.org>

reduce receipts to the State General Fund (SGF) and State Highway Fund (SHF) as follows:

(In Millions)

	<b>Total</b>	<b>SGF</b>	<b>SHF</b>
FY 2015	\$ (0.67)	\$ (0.56)	\$ (0.11)
FY 2016	(0.70)	(0.58)	(0.12)
FY 2017	(0.73)	(0.60)	(0.12)
FY 2018	(0.75)	(0.63)	(0.13)
FY 2019	(0.78)	(0.65)	(0.13)
<b>5-yr total</b>	<b>\$ (3.63)</b>	<b>\$ (3.01)</b>	<b>\$ (0.62)</b>