

April 27, 2016

The Honorable Marvin Kleeb, Chairperson  
House Committee on Taxation  
Statehouse, Room 185-N  
Topeka, Kansas 66612

Dear Representative Kleeb:

**SUBJECT:** Fiscal Note for HB 2505 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2505 is respectfully submitted to your committee.

Under current law, individual taxpayers with taxable income of \$5,000 or less and married individuals with taxable income of \$12,500 or less have zero tax liability beginning in tax year 2016. HB 2505 would require that non-wage business income be included in the calculation for determining the eligibility for the low-income exclusion.

The Department of Revenue estimates that HB 2505 would increase State General Fund revenues from requiring certain non-wage business income be included in the income calculation for the low-income exclusion; however, the Department estimates the additional State General Fund revenue would be negligible.

The Department indicates that the bill would require \$235,340 from the State General Fund in FY 2017 to implement the bill and to modify the automated tax system. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. However, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with HB 2505 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Jack Smith, Department of Revenue