

March 29, 2017

The Honorable Troy Waymaster, Chairperson  
House Committee on Appropriations  
Statehouse, Room 111-N  
Topeka, Kansas 66612

Dear Representative Waymaster:

SUBJECT: Fiscal Note for HB 2383 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2383 is respectfully submitted to your committee.

HB 2383 would authorize salary increases beginning in FY 2020 for unclassified employees of the Judicial and Executive Branches. Appointed or elected state officers or judges would be excluded. The salary increases would be paid from the amount certified by the Secretary of the Department of Revenue and the Director of the Budget as actual taxes collected as a result of the implementation of the water's edge tax election and related provisions during the preceding fiscal year. The pay increase would be 5.0 percent in FY 2020 and would increase each subsequent year by a percentage equal to the increase in the Consumer Price Index.

The Department of Revenue has no information to estimate the fiscal effect of HB 2383 on State General Fund revenues. The bill is based on the assumption that the water's edge tax election would increase corporate income tax revenue. However, this provision is not part of current Kansas law. Any fiscal effect associated with HB 2383 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Lynn Robinson, Department of Revenue