

STATE OF KANSAS



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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

March 12, 2018

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 123-E
Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 437 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 437 is respectfully submitted to your committee.

SB 437 would provide a retail sales tax exemption for all sales of gold, silver, and numismatic coins; palladium, platinum, gold, or silver bullion; and currency. The bill provides specific definitions for bullion and currency.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	(\$6,574)	(\$7,840)
Expenditure	--	--	\$1,200	\$1,200
FTE Pos.	--	--	--	--

The Department of Revenue estimates that SB 437 would decrease state revenues by \$7,840 in FY 2019. Of that total, the State General Fund is estimated to decrease by \$6,574 in FY 2019, while the State Highway Fund is estimated to decrease by \$1,266 in FY 2019. This bill also is estimated to decrease local sales tax revenues; however, the specific estimate of lower local sales tax revenues was not calculated by the Department of Revenue. The Department of Revenue indicates that the bill would have a similar fiscal effect in future fiscal years. According to the Department of Revenue, reissuing sales tax publications would cost \$1,200 from the State General Fund in FY 2019.

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The Kansas Department of Transportation (KDOT) indicates that the bill would reduce state revenues to the State Highway Fund as noted above. KDOT indicates that when the state receives lower State Highway Fund dollars it may be required to make corresponding reductions to planned expenditures for projects funded under the comprehensive transportation plan, known as T-WORKS.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that the bill would provide a net reduction to local sales tax collections that are used in part to finance local governments. Any fiscal effect associated with SB 437 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Campbell", written in a cursive style.

Larry L. Campbell
Chief Budget Officer

cc: Chardae Caine, League of Municipalities
Melissa Wangemann, Association of Counties
Ben Cleeves, Transportation
Lynn Robinson, Department of Revenue