

SESSION OF 2018

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2421**

As Amended by House Committee on Taxation

**Brief\***

HB 2421, as amended, would provide a sales tax exemption for all sales of gold, silver, and numismatic coins; palladium, platinum, gold, and silver bullion; and currency. The exemptions would sunset on July 1, 2023.

**Background**

Proponents for the bill in the House Committee on Taxation hearing, on January 29, 2018, included owners of a number of coin dealerships. No opponent or neutral testimony was provided.

The original bill, introduced in 2017, would have provided the exemptions indefinitely. The House Committee amended the bill on March 7, 2018, to provide the five-year sunset, and to make technical changes to various statutory references.

The fiscal note on the original bill prepared during the 2017 Session by the Division of the Budget stated the bill would be expected to reduce state sales tax receipts by \$7,840 annually, \$6,574 of which would be attributable to a reduction in State General Fund receipts; and \$1,266 would be attributable to a reduction in State Highway Fund receipts. The Department of Revenue also would be expected to incur an additional \$1,200 in administrative costs for reissuing sales tax publications. The fiscal note further indicated local sales tax receipts also would be reduced by an indeterminable amount. Any fiscal effect associated with enactment of the bill was not reflected in *The FY 2018 Governor's Budget Report*.

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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>