

January 28, 2021

The Honorable Robert Olsen, Chairperson  
Senate Committee on Commerce  
Statehouse, Room 236A-E  
Topeka, Kansas 66612

Dear Senator Olsen:

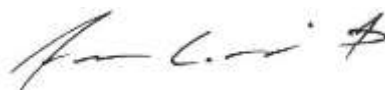
SUBJECT: Fiscal Note for SB 65 by Senate Committee on Commerce

In accordance with KSA 75-3715a, the following fiscal note concerning SB 65 is respectfully submitted to your committee.

Under current law, taxpayers that claim the High Performance Incentive Program (HPIP) tax credit are required to participate in either the Kansas Industrial Training (KIT) or Kansas Industrial Retraining (KIR) programs. SB 65 would decouple the tax credit from participating in KIT and KIR.

The Department of Commerce indicates enactment of the bill would not have a fiscal effect on agency operations. The Division of the Budget notes enactment of the bill would give the Department flexibility in using dollars from both the KIT and KIR programs. It is assumed that there would be an increase in those who qualify for the HPIP investment tax credit since there is no longer a training requirement and only the wage standard requirement. The Department of Commerce determines those qualified for the HPIP tax credit. The Department is unable to estimate the number of applicants that have not qualified from not meeting the training requirements. As a result, the Department of Revenue is unable to estimate the fiscal impact of those taxpayers that may qualify based on this proposed legislation. Any fiscal effect associated with SB 65 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Lynn Robinson, Department of Revenue  
Sherry Rentfro, Department of Commerce