

House Budget Committee Report

Agency: Kansas Department of Revenue **Bill No.** HB 2588

Bill Sec. 24

Analyst: Dear **Analysis Pg. No.** Vol. 1, p. 415

Budget Page No. 98

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023	House Budget Committee Adjustments
<i>Operating Expenditures:</i>			
State General Fund	\$ 14,800,558	\$ 15,326,422	\$ (525,864)
Federal Funds	77,000	77,000	0
Other Funds	91,997,731	93,188,441	0
<i>Subtotal</i>	\$ 106,875,289	\$ 108,591,863	\$ (525,864)
<i>Capital Improvements:</i>			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	\$ 0	\$ 0	\$ 0
TOTAL	\$ 106,875,289	\$ 108,591,863	\$ (525,864)
FTE positions	1,049.2	1,057.2	(8.0)

Agency Request

The **agency** requests \$106.9 million, including \$14.8 million SGF, for FY 2023. The agency request is an all funds decrease of \$686,096, or 0.6 percent, including an SGF increase of \$490, or less than 0.1 percent, from the FY 2022 revised estimate. The agency reduced the transfer to the Special County Mineral Production Tax Fund (\$316,050), reduced information technology contracting services (\$220,000), and reduced the estimate for outside counsel (\$250,000).

Governor's Recommendation

The **Governor** recommends \$108.6 million, including \$15.3 million SGF, for FY 2023. The recommendation is an all funds increase of \$1.7 million, or 1.6 percent, and an SGF increase of \$525,864, or 3.4 percent, above the FY 2023 agency request. The increase is attributable to expenditures associated with 2021 SB 13 from the Taxpayer Notification Fund that were inadvertently omitted (\$1.2 million), and administrative expenses related to the Governor's plan to eliminate the food sales tax (\$525,864). Additionally, the recommendation includes a transfer of \$1.0 million from the SGF to the Division of Vehicles Modernization Fund and the elimination of the \$4 surcharge.

House Budget Committee

The **Budget Committee** concurs with the Governor's recommendation with the following adjustment:

1. Delete \$525,864 SGF and 8.0 FTE positions for administrative costs to eliminate the food sales tax for FY 2023 and review the status of the policy at Omnibus.

House Committee Recommendation

The **House Committee** concurs with the Budget Committee recommendation for FY 2023.

House Committee of the Whole Recommendation

The **Committee** concurs with the House Appropriations Committee recommendation for FY 2023.

Senate Subcommittee Report

Agency: Kansas Department of Revenue **Bill No.** SB 422 **Bill Sec.** 24

Analyst: Dear **Analysis Pg. No.** Vol. 1, p. 415 **Budget Page No.** 98

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023	Senate Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 14,800,558	\$ 15,326,422	\$ (525,864)
Federal Funds	77,000	77,000	0
Other Funds	91,997,731	93,188,441	0
<i>Subtotal</i>	<u>\$ 106,875,289</u>	<u>\$ 108,591,863</u>	<u>\$ (525,864)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 106,875,289</u>	<u>\$ 108,591,863</u>	<u>\$ (525,864)</u>
 FTE positions	 1,049.2	 1,057.2	 (8.0)

Agency Request

The **agency** requests \$106.9 million, including \$14.8 million SGF, for FY 2023. The agency request is an all funds decrease of \$686,096, or 0.6 percent, including an SGF increase of \$490, or less than 0.1 percent, from the FY 2022 revised estimate. The agency reduced the transfer to the Special County Mineral Production Tax Fund (\$316,050), reduced information technology contracting services (\$220,000), and reduced the estimate for outside counsel (\$250,000).

Governor's Recommendation

The **Governor** recommends \$108.6 million, including \$15.3 million SGF, for FY 2023. The recommendation is an all funds increase of \$1.7 million, or 1.6 percent, and an SGF increase of \$525,864, or 3.4 percent, above the FY 2023 agency request. The increase is attributable to expenditures associated with 2021 SB 13 from the Taxpayer Notification Fund that were inadvertently omitted (\$1.2 million), and administrative expenses related to the Governor's plan to eliminate the food sales tax (\$525,864). Additionally, the recommendation includes a transfer of \$1.0 million from the SGF to the Division of Vehicles Modernization Fund and the elimination of the \$4 surcharge.

Senate Committee on Assessment and Taxation

The **Senate Committee** concurs with the Governor's recommendation with the following adjustment:

1. Delete \$525,864 SGF and 8.0 FTE positions for administrative costs to eliminate the food sales tax for FY 2023.

Senate Committee on Ways and Means Recommendation

The **Senate Committee on Ways and Means** concurs with the Senate Committee recommendation for FY 2023 with the following adjustment:

1. Delete \$17.99 SGF and review the Department of Revenue policy on taxation of streaming services for FY 2023.

Senate Committee of the Whole

The **Senate Committee** concurs with the Senate Committee on Ways and Means recommendation for FY 2023.