

March 22, 2023

The Honorable Caryn Tyson, Chairperson  
Senate Committee on Assessment and Taxation  
300 SW 10th Avenue, Room 548-S  
Topeka, Kansas 66612

Dear Senator Tyson:

**SUBJECT:** Fiscal Note for SB 299 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 299 is respectfully submitted to your committee.

SB 299 would add an income tax exemption of \$2,250 for any individual who is pregnant with an unborn child with a detectable heartbeat at any time during the year. The exemption would be allowed for each unborn child with a detectable heartbeat carried by the individual during the tax year. The exemption would take effect beginning in tax year 2024. The bill includes definitions for “detectable heartbeat” and “unborn child.”

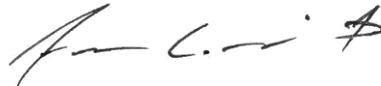
The Department of Revenue estimates that SB 299 would decrease State General Fund revenues by \$1.9 million in FY 2025 and FY 2026. To formulate these estimates, the Department of Revenue reviewed data on birth rates from the Kansas Department of Health and Environment. In 2020, there were approximately 34,400 births in Kansas, and the number of births in the state has declined by an average of 1.7 percent per year since 2010. The Department assumes 31,000 pregnancies in tax year 2024 and that 67.0 percent of the pregnancies will occur in the last eight months of the calendar year, leading to 20,770 additional exemptions of \$2,250 being claimed. Assuming a 4.0 percent average tax rate, this would result in an approximate \$1.9 million reduction of State General Fund revenues.

The Department indicates that the bill would require \$50,821 from the State General Fund in FY 2025 to implement the bill and to modify the automated tax system. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. In addition, if the combined effect of implementing this bill and other enacted legislation exceeds the Department’s programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the

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Department's current budget may be required. Any fiscal effect associated with SB 299 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Lynn Robinson, Department of Revenue