

SESSION OF 2024

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2688

As Amended by House Committee on Taxation

Brief*

HB 2688, as amended, would authorize two temporary sales tax exemptions.

The bill would provide a sales tax exemption, effective January 1, 2024, for Exploration Place, Inc., for the purpose of constructing, remodeling, furnishing, or equipping a riverfront amphitheater, a destination playscape, an education center, and indoor renovations at exploration place in Wichita, Kansas.

The bill would also provide a sales tax exemption, effective January 1, 2024, for Kansas Children's Discovery Center, Inc., for the purpose of constructing, remodeling, furnishing or equipping a hands-on children's museum with a mission to enhance the lives of children and enrich the communities it serves. [Note: The Kansas Children's Discovery Center, Inc., is located in Topeka, Kansas.]

The exemptions would also apply to qualifying purchases made by any contractor hired for such projects.

For purchases made after January 1, 2024, but prior to the effective date of the bill, the bill would provide for refunds of sales tax to be paid by the Department of Revenue.

The exemptions would sunset on December 31, 2030.

*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>

Background

The bill was introduced by the House Committee on Taxation at the request of Representative A. Smith on behalf of Exploration Place, Inc.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by a representative of Exploration Place, Inc., who stated the proposed projects for Exploration Place in Wichita, Kansas, would provide an economic benefit to the state and create additional opportunities for tourism and education and that the bill would remove an administrative burden for the utilization of an existing applicable sales tax exemption available to Exploration Place.

No other testimony was provided.

The House Committee amended the bill to include the exemption for the Kansas Children's Discovery Center, Inc.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue estimates the bill would decrease state revenues by \$130,000 each fiscal year from FY 2025 through FY 2030. Of this amount, \$106,600 would be from the State General Fund and the balance from the State Highway Fund. Any fiscal effect associated with the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Taxation; sales tax; sales tax exemptions, Exploration Place