

SESSION OF 2024

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2794

As Recommended by House Committee on
Taxation

Brief*

HB 2794 would provide a sales tax exemption for purchases by or on behalf of a 501(c)(3) not-for-profit animal shelter licensed under the Kansas Pet Animal Act or animal rescue network, if purchased by the manager of such network on its behalf.

The bill would provide an exemption for purchases made by a contractor for the construction, maintenance, or furnishing of facilities for such organizations. The bill would also define the terms “animal,” “animal shelter,” “rescue network,” and “rescue network manager.”

Background

The bill was introduced by the House Committee on Taxation at the request of Representative Estes on behalf of Kansas Pet Advocates.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by representatives of Kansas Pet Advocates, Southeast Kansas Humane Society, and Wichita Animal Action League. The proponents generally stated the bill would enable not-for-profit animal shelters and rescue networks to better utilize funds for program services.

*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>

Written-only neutral testimony was provided by a representative of the League of Kansas Municipalities, who indicated the organization is neutral on the question of state sales tax exemptions, but decisions to exempt local sales taxes should be made by voters and elected officials of the respective communities.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue estimates enactment of the bill would decrease state revenues by \$800,000 per fiscal year, beginning in FY 2025. Of this amount, \$700,000 would be from the State General Fund and the balance from the State Highway Fund. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Taxation; sales tax; exemptions; not-for-profit animal shelters