

*Corrected*  
*SESSION OF 2007*

**SUPPLEMENTAL NOTE ON  
SUBSTITUTE FOR SENATE BILL NO. 334**

As Recommended by Senate Committee on  
Assessment and Taxation

**Brief\***

Sub. for SB 334 would make permanent the amount that is currently available in the Investments in Major Projects and Comprehensive Training (IMPACT) fund for major project investments. Current law limits that amount, effective July 1, 2008, to 20 percent of an amount equal to 2 percent of all money withheld from wages of employees statewide. The bill would remove the 20 percent limitation, as well as the July 1, 2008 effective date.

**Background**

KSA 74-50,109 provides for the IMPACT program repayment fund. The purpose of the fund is to "make payments to the Kansas Development Finance Authority for payment of costs relating to the retirement of bonds issued to finance projects approved by the Secretary of Commerce" under the IMPACT Act. The IMPACT Act provides funding for IMPACT programs, which are defined as major project investments and specified training projects undertaken by the Department of Commerce for a new or expanding Kansas basic enterprise (one located or principally based in Kansas and which can demonstrate it is primarily engaged in (a) one or more Kansas basic industries, (b) the development or production of goods or provision of services for out-of-state sale, (c) the production of goods or provision of services that will attract out-of-state

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\*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>

buyers into the state, (d) the production of raw materials or other components for other enterprises which export the majority of their products, or (e) the production of goods or provision of services which will supplant goods or services that would be imported into Kansas; or it meets other specified conditions relative to a national, regional or multi-state enterprise. The Act authorizes two funds to finance IMPACT program projects. The program repayment fund is used to finance major projects.

The Senate Committee on Assessment and Taxation adopted a substitute bill that would delete the original contents of SB 334, dealing with revisions in the Retailers' Sales Tax Act, and replace it with the IMPACT program repayment fund revision language.

According to the Kansas Department of Revenue, the bill would have no fiscal impact. Current law allows the Department of Commerce to access for all projects a total amount equal to 2 percent of employer withholding taxes; the bill grants the Department the authority to use that entire amount to finance major projects, which are funded through the program repayment fund.