

SESSION OF 2008

**SUPPLEMENTAL NOTE ON
HOUSE SUBSTITUTE FOR SENATE BILL NO. 180**

As Recommended by House Committee on
Taxation

Brief*

House Sub. for SB 180 deals with the Kansas Investments in Major Projects and Comprehensive Training (IMPACT) program administered by the Department of Commerce. The bill would abolish restrictions on the maximum amount of IMPACT awards per project. Instead, the bill would require the Department to spend at least 15 percent of IMPACT funds on rural projects and an additional 20 percent on small businesses.

The bill also would alter IMPACT's funding. Currently, 2 percent of all state withholding taxes are set aside for the program. After each fiscal year, any amount not used by the program remains in the State General Fund. The bill would amend this provision to allow the unused amounts to remain with the IMPACT program until they are needed.

Background

SB 180, as originally drafted, would have exempted lump-sum Kansas Public Employees Retirement System (KPERs) and Board of Regents retirement benefits from state income tax, the subject matter of which was passed as part of the Omnibus KPERs bill in Senate Sub. for House Sub. for HB 2457.

The House Committee on Taxation removed the contents of SB 180 and replaced them with the contents of SB 525 on March 25, 2008.

*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>

The fiscal note prepared by the Division of Budget for SB 525 indicated the bill would decrease income tax revenue to the State General Fund by \$24.2 million in FY 2009 by allowing IMPACT to receive the full 2 percent of withholding taxes.