

SESSION OF 2008

SUPPLEMENTAL NOTE ON SENATE BILL NO. 487

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 487, as amended, would provide sales tax exemptions for game birds used in hunting; fees and charges for participation in guided and non-guided hunts and fishing excursions and expeditions; clay-shooting sports; and hunting or fishing leases.

Background

The Department of Revenue late in 2007 sent out a notice to certain individuals in the hunting industry which expressed an interpretation that sales taxes were due on a number of the transactions covered in the legislation.

The original bill would have applied to game birds; participation fees for hunts and for sporting clays. The Senate Assessment and Taxation Committee amended the bill at the suggestion of the Kansas Livestock Association and the Kansas Farm Bureau to clarify that hunting leases would be exempt; at the suggestion of the Kansas Sport Hunting Association to clarify that the exemption would apply more broadly to all clay-shooting sports; and at the suggestion of Senator Bruce to add the exemptions for fishing excursions, expeditions, and leases.

A fiscal note on the original bill provided by the Department indicated that the exemptions would be expected to reduce sales tax receipts by the following amounts:

*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>

(\$ in millions)

	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>5-yr total</u>
State General Fund	-\$0.570	-\$0.581	-\$0.593	-\$0.605	-\$0.617	-\$2.966
State Highway Fund	-\$0.080	-\$0.082	-\$0.083	-\$0.085	-\$0.087	-\$0.416
Local Sales Taxes	<u>-\$0.163</u>	<u>-\$0.166</u>	<u>-\$0.170</u>	<u>-\$0.173</u>	<u>-\$0.176</u>	<u>-\$0.848</u>
Total	-\$0.813	-\$0.829	-\$0.846	-\$0.863	-\$0.880	-\$4.231

As of February 6, an updated fiscal note on the Senate Committee version of the bill had not yet been provided.