

SESSION OF 2008

**SUPPLEMENTAL NOTE ON  
SUBSTITUTE FOR HOUSE BILL NO. 2336**

As Recommended by House Committee on  
Taxation

**Brief\***

Sub. for HB 2336 would provide a sales tax exemption relative to certain purchases incurred in the construction, reconstruction, enlarging, or remodeling of business facilities located in counties declared to be disaster areas pursuant to Presidential Disaster Declaration DR 1711, provided such facilities were damaged or destroyed by flooding or other severe weather. Project exemption certificates would need to be obtained within 60 days of the effective date of the legislation (publication in the *Kansas Register*).

**Background**

Legislation enacted last May provided a similar sales tax exemption for businesses damaged in Kiowa County as a result of the May 4 disaster. Sub. for HB 2336 would authorize the exemption for certain businesses in the 23 counties covered in the DR 1711 declaration. The counties eligible for assistance in that declaration are: Allen, Anderson, Bourbon, Butler, Chautauqua, Cherokee, Coffey, Cowley, Crawford, Edwards, Elk, Franklin, Greenwood, Harper, Labette, Linn, Miami, Montgomery, Neosho, Osage, Pawnee, Wilson, and Woodson.

The original bill dealt with an exemption for certain sales of coins, bullion, and currency. The House Taxation Committee on February 1 voted to remove the bill's original provisions, recommend that a substitute bill be created, and insert the aforementioned disaster area exemption issue.

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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>

As of February 4, the Department of Revenue had not provided a written fiscal note but indicated that the reduction in state sales tax receipts could be in the \$3 million to \$5 million range for FY 2008 and FY 2009 combined.