

SESSION OF 2008

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2932

As Amended by House Committee of the Whole

Brief*

HB 2932, as amended, would provide additional local sales tax authority for specific counties; enact certain sales tax exemptions related to selected hunting, fishing, and shooting activities; and provide an early-August sales tax “holiday” for certain items generally associated with back-to-school purchases.

Local Sales Tax Provisions

Brown County would be granted additional authority of up to 1.0 percent for construction of a new correctional facility. Barton County would be granted additional authority of up to 0.5 percent for roadway and bridge construction and infrastructure development. Butler County would be granted additional authority of up to 1.0 percent for public safety capital projects or bridge and roadway construction. Jefferson County would be granted additional authority of 0.25 percent to finance the county’s obligation as participating employer in the Kansas Public Employees Retirement System for certain eligible police and firefighters.

Any such taxes imposed in all counties first require the approval of voters. The Barton County tax, which would be shared with cities, would sunset in 10 years. Taxes in the other three counties, which would not be shared with cities, would sunset once payment of all costs incurred in financing the different projects were paid.

*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>

Sales Tax Exemption Provisions

The bill also 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.

Sales Tax Holiday Provisions

Beginning in 2008, a sales tax “holiday” exemption would apply from the first Thursday through first Sunday in August for certain sales of clothing and computer software with a taxable value of \$300 or less; school supplies not exceeding \$100 per purchase; and all personal computers or computer peripheral devices not exceeding \$2,000.

Background

The original bill dealt with Butler County. The House Taxation Committee amended the bill to include provisions from HB 2823, HB 2930, and HB 2941, along with some additional technical amendments suggested by conferees. The House Committee of the Whole amended the bill to include the sales tax exemption provisions from the Senate Assessment and Taxation Committee’s version of SB 487; and the sales tax holiday provisions.

The hunting, fishing, and shooting sales tax exemptions would be expected to reduce state sales tax receipts by \$0.5 million in FY 2009, according to the Department of Revenue.

The Department in 2006, when an identical holiday provision was adopted as a House Committee of the Whole amendment to SB 404, said that state sales tax receipts would be expected to be reduced by \$4.324 million in FY 2009. The Department at that time also indicated that because definitions in the holiday amendment were not compliant with the multi-state Streamlined Sales Tax Agreement, additional receipts attributable to the voluntary compliance of multi-state retailers could be imperilled.