

SESSION OF 2009

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2299

As Amended by Senate Committee of the Whole

Brief*

HB 2299, as amended, would provide sales tax exemptions and clarify the law with respect to certain transactions.

The bill would exempt purchases made by or on behalf of Goodwill Industries Easter Seals of Kansas, Inc. and Goodwill Industries of Kansas, Inc. for the purpose of providing education, training, and employment opportunities for people with disabilities and other barriers to employment.

The bill also would provide exemptions for purchases and sales made by or on behalf of All American Beef Battalion, Inc., for the purpose of educating, promoting, and participating as a contact group through the beef cattle industry in order to carry out such projects that provide support and morale to members of the United States armed forces and military services.

The bill further would exempt purchases and sales made by or on behalf of certain senior service centers to enhance the lives of older people, to help them remain active in community and civic affairs, and to continue to live independently in their homes.

An additional exemption would be provided for sales of admissions or tickets to annual county fairs held by county fair associations to support the education and encouragement of improvement in agriculture and other activities of citizens of the county.

Additional exemptions would be provided for sales of game birds used in hunting; fees and charges for participation

*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 guided and non-guided hunts and fishing excursions and expeditions; and hunting or fishing leases.

Another exemption would be provided for purchases by or on behalf of Sheltered Living, Inc.

Finally, the bill would provide exemptions for purchases and sales made by or on behalf of the Kansas Fairgrounds Foundation for purposes of beautifying the state fairgrounds.

Background

The original bill dealt with the exemption for the Goodwill entities. The Department of Revenue stated that it had in the past erroneously issued one of the entities a sales tax exemption certificate which currently is scheduled to expire on November 1.

The House Taxation Committee amended the bill to reflect more closely the name of one of the Goodwill entities; and to incorporate the provisions of HB 2048 regarding the exemption for sales and purchases of the All American Beef Battalion.

The House Committee of the Whole amended the bill at the suggestion of Representative George to add the provisions relating to the Kansas Fairgrounds Foundation.

The Senate Assessment and Taxation Committee amended the bill to add the exemptions for certain sales of senior centers; and sales of admissions to county fairs. The Senate Committee also added the provisions of SB 100 relating to the proposed exemptions for certain game birds and fishing and hunting-related participation charges.

The Senate Committee of the Whole added the amendment for the Sheltered Living entity.

The latest fiscal notes available from the Department of Revenue indicate the bill would be expected to reduce sales tax receipts to the State General Fund (SGF) and State Highway Fund (SHF) as follows:

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Total</u>	<u>SGF</u>	<u>SHF</u>
Goodwill Entities	(\$0.038)	(\$0.039)	(\$0.040)	(\$0.040)	(\$0.041)	(\$0.198)	(\$0.174)	(\$0.024)
Beef Battalion	(\$0.004)	(\$0.004)	(\$0.004)	(\$0.004)	(\$0.004)	(\$0.021)	(\$0.018)	(\$0.003)
State Fairgrounds	minimal	minimal	minimal	minimal	minimal	minimal	minimal	minimal
Senior Centers	(\$1.000)	(\$1.020)	(\$1.040)	(\$1.061)	(\$1.082)	(\$5.204)	(\$4.566)	(\$0.638)
Birds, Fish, Hunting	(\$0.500)	(\$0.510)	(\$0.520)	(\$0.531)	(\$0.541)	(\$2.602)	(\$2.283)	(\$0.319)
Co. Fair Admissions	(\$0.055)	(\$0.056)	(\$0.057)	(\$0.058)	(\$0.060)	(\$0.286)	(\$0.251)	(\$0.035)
Sheltered Living	unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown
Total	(\$1.597)	(\$1.629)	(\$1.662)	(\$1.695)	(\$1.729)	(\$8.311)	(\$7.292)	(\$1.019)