

SESSION OF 2010

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2549

As Further Amended by House Committee of the Whole

Brief*

HB 2549, as amended by the House Committee of the Whole on May 3, would require any refinery seeking to claim certain income tax credits or accelerated depreciation deductions to purchase Kansas crude oil, provided such oil is of merchantable quality and is not altered or contaminated by foreign substances. Refineries would be required to provide information prior to delivery to haulers regarding various oil quality prerequisites. First purchasers of crude oil also would be required to disclose to operators or producers detailed reasons for deductions of the purchase price below market rate.

Background

The original bill, which would have repealed numerous sales tax exemptions, was requested for introduction and supported by the Kansas Advisory Council on Intergovernmental Relations.

The House Committee on Taxation on March 2 amended the bill to remove proposed exemption repeals for not-for-profit entities, and to delete language that would have restructured and clarified the labor service exemption relative to certain repair and janitorial services.

The House Committee of the Whole on March 16 amended the bill to remove proposed exemption repeals for certain property and services purchased by religious

*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>

organizations; fees and charges by political subdivisions for participation in sports, games, and other recreational activities; certain sales of gas, water, electricity, coal, wood, and heat for residential use; lottery tickets; certain interstate and international telephone and telecommunications services, private communications services, and value-added non-voice data services; motor vehicles exchanged for corporate stock, motor vehicles transferred as part of a transfer of assets from one business entity to another, and motor vehicles transferred from one immediate family member to another; bingo cards, bingo faces, and instant bingo tickets; tangible personal property purchased by or on behalf of public libraries; and certain property and services purchased indirectly on behalf of county law libraries.

The House Committee of the Whole on May 3 further amended the bill to remove a proposed exemption repeal for coin-operated laundry services, and to insert the oil refinery provisions.

The fiscal impact of the May 3 House Committee of the Whole version of the bill is unknown at this time.