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MEMORANDUM

To: Members of the House Committee on Taxation
From: Office of Revisor of Statutes
Date: March 10, 2025
Subject: House Bill No. 2154 (As Introduced)

Summary

House Bill No. 2154 discontinues in Section 5 (K.S.A. 79-5117) the excise tax currently imposed on the rental or lease of vehicles for a period less than 28 days. Commencing July 1, 2025, this 3.5% excise tax on the gross receipts would no longer be imposed.

Pursuant to Section 4 (K.S.A. 79-5101), rental or leased motor vehicles owned by a car rental company and subject to the 3.5% excise tax imposed pursuant to K.S.A. 79-5117 are currently exempt from motor vehicle property taxes. Under the bill, the exemption for rental or leased motor vehicles owned by a car rental company and subject to the excise tax is removed. Thus, commencing July 1, 2025, these vehicles would be subject to property tax.