

February 2, 2026

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2481 by House Committee on Commerce, Labor and
Economic Development

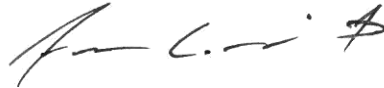
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2481 is respectfully submitted to your committee.

Under current law, transient guest taxes are collected from a hotel, motel, or tourist court having more than two furnished bedrooms or from an accommodations broker that maintains an inventory of two or more rooms in one or more locations. HB 2481 would collect transient guest taxes from a hotel, motel, or tourist court having at least one furnished bedroom or from an accommodations broker that maintains an inventory of one or more rooms in one or more locations. This would apply to providing lodging for transient guests, which is kept, used, maintained, advertised, or held out to the public as a place where sleeping accommodations are sought for pay or compensation by transient or permanent guests.

The Department of Revenue estimates that HB 2481 would increase state and local transient guest and retail sales taxes by unknown amounts beginning in FY 2027. The bill would make the rental of a one-bedroom accommodation by an accommodations broker subject to state and local sales tax as well as local transient guest tax. It is unknown how many one-bedroom accommodations are being made available for rent by an accommodation broker. According to the Department of Revenue, reissuing publications and revising forms would cost \$1,340 from the State General Fund in FY 2027. Any fiscal effect associated with HB 2481 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities indicate that the bill has the potential to increase the collection of local retail sales and transient guest taxes that are used in part to finance local governments. However, the Association and the League do not have a basis on which to estimate the amount of higher tax collections to make a precise estimate of the fiscal effect on local governments. Tax collections would likely vary by location.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties