

February 11, 2026

The Honorable Adam Smith, Chairperson
House Committee on Taxation
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Smith:

SUBJECT: Fiscal Note for HB 2572 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2572 is respectfully submitted to your committee.

HB 2572 would provide a property tax exemption and a sales tax exemption related to Kansas war memorials. Under current law, property used by individually chartered veteran organizations for clubhouse, meeting, or memorial purposes is exempt from property tax, and purchases related to the Kansas Korean War memorial are exempt from sales tax. The bill would expand upon these exemptions by exempting from property tax all real property used by a nonprofit charitable organization for a Kansas war memorial that preserves the memory of the heroic acts and sacrifices of Kansas veterans who fought, died, or are missing in action in any conflict involving the loss of United States service members. The property tax exemption would apply beginning in tax year 2027. The bill would also exempt from sales tax all tangible personal property purchased by a nonprofit charitable organization for the establishment and maintenance of Kansas war memorials. The sales tax exemption would begin on July 1, 2026, and would apply only to tangible personal property; services would remain subject to sales tax.

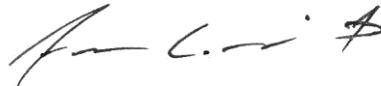
The Department of Revenue estimates that enactment of HB 2572 would decrease state and local sales tax revenues by an unknown amount. As of February 2, 2026, there were 912 listings under the search term "war memorial" on the state tourism website. However, the Department indicates it is unknown how many of these memorials are maintained by organizations that are already exempt from sales tax and what the cost of maintenance on these memorials would be. It is also unknown how many future war memorials would be established in Kansas. The Department notes that the bill would require that qualifying organizations be exempt from federal income taxation as charitable nonprofits, meaning that veteran posts and organizations registered

under a different federal tax-exempt classification would not be eligible for the exemptions. According to the Department of Revenue, revising forms and publications would cost \$1,340 from the State General Fund in FY 2027.

The Department of Revenue also estimates that the property tax exemption would have a limited fiscal effect on the State School District Finance Fund because most Kansas war memorials are assumed to be located on real property that is already exempt from property tax. The Kansas Department of Transportation indicates that the bill would have an unknown impact on revenues to the State Highway Fund. Any fiscal effect associated with HB 2572 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties indicates that enactment of the bill would decrease local sales tax and property tax revenues by providing a new exemption for Kansas war memorials. The League of Kansas Municipalities indicates that enactment of the bill would decrease local tax revenues used in part to finance local governments. However, neither organization was able to provide a specific estimate of the fiscal effect on local governments.

Sincerely,

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

Adam C. Proffitt
Director of the Budget

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