



February 16, 2026

The Honorable Caryn Tyson, Chairperson  
 Senate Committee on Assessment and Taxation  
 300 SW 10th Avenue, Room 548-S  
 Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 389 by Senator Holscher

In accordance with KSA 75-3715a, the following fiscal note concerning SB 389 is respectfully submitted to your committee.

SB 389 would provide a sales tax exemption for feminine hygiene products, incontinence products, and diapers. The bill would define feminine hygiene products to include tampons, panty liners, menstrual cups, sanitary napkins, and other similar products designed for feminine hygiene in connection with the human menstrual cycle. Diapers would include both children's and adult diapers, including disposable diapers, defined as absorbent garments worn by humans who are incapable of, or have difficulty, controlling their bladder or bowel movements. Incontinence products would include products designed for hygiene matters related to urinary incontinence.

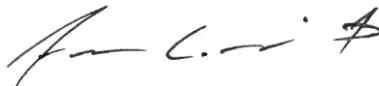
Estimated State Fiscal Effect			
	FY 2026	FY 2027	FY 2028
<b>Expenditures</b>			
State General Fund	--	\$1,340	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$1,340	--
<b>Revenues</b>			
State General Fund	--	(\$9,300,000)	(\$10,100,000)
Fee Fund(s)	--	(2,000,000)	(2,300,000)
Federal Fund	--	--	--
Total Revenues	--	(\$11,300,000)	(\$12,400,000)
FTE Positions	--	--	--

The Department of Revenue estimates that enactment of SB 389 would decrease state revenues by \$11.3 million in FY 2027, which reflects a one-month collections lag. Of that total, State General Fund revenues are estimated to decrease by \$9.3 million, while State Highway Fund revenues are estimated to decrease by \$2.0 million. This bill is also estimated to decrease local sales tax revenues; however, a specific estimate of the reduction to local sales tax receipts was not calculated by the Department of Revenue. The estimated annual decrease in state revenues in FY 2028 and subsequent years would be \$12.4 million, of which \$10.1 million would be from the State General Fund and \$2.3 million would be from the State Highway Fund.

To formulate these estimates, the Department of Revenue used industry data and population and birth data from the Kansas Department of Health and Environment. According to the Department of Revenue, the cost to revise forms and publications would be \$1,340 from the State General Fund in FY 2027. The Kansas Department of Transportation indicates that enactment of the bill would decrease State Highway Fund revenues as noted above. Any fiscal effect associated with SB 389 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities indicate the bill would provide a net reduction to local sales tax collections that are used in part to finance local governments. The League of Kansas Municipalities notes the bill has the potential to reduce revenues that are pledged to repay STAR bond projects; however, the exact effect on those projects is unknown.

Sincerely,



Adam C. Proffitt  
Director of the Budget

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