

SESSION OF 2025

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2004**

As Amended by Senate Committee on  
Assessment and Taxation

**Brief\***

HB 2004, as amended, would create a sales tax exemption and provide additional sales tax authority for Seward County.

The bill would also repeal obsolete and unused provisions providing for specific county sales tax authority.

***Care to Share Cancer Support Group of Bourbon County  
Sales Tax Exemption***

The bill would provide a sales tax exemption, effective July 1, 2024, for all sales of tangible personal property and services purchased by or on behalf of Care to Share Cancer Support Group of Bourbon County for the purposes of providing a cancer support group and services for persons with cancer.

For purchases made after July 1, 2024, but prior to the effective date of the bill, the bill would provide for refunds of sales tax to be paid by the Department of Revenue.

***Seward County Sales Tax Authority***

The bill would authorize the Board of County Commissioners of Seward County to submit to the voters of the county a question of imposing a countywide sales tax at a

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\*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 <https://klrd.gov/>

rate of 0.5 percent for the purpose of financing road and bridge construction projects.

The tax would expire ten years from the date first collected and could be extended for additional ten-year periods upon additional elections.

The proceeds of the tax would not be subject to apportionment with the cities within Seward County.

### **Background**

The Senate Committee on Assessment and Taxation amended HB 2004 to insert the contents of SB 278, as introduced, while retaining the contents of HB 2004. The background for both bills is provided below.

### ***HB 2004 (Seward County Sales Tax Authority)***

The bill was introduced by Representative Francis.

### ***House Committee on Taxation***

In the House Committee hearing, **proponent** testimony was provided by a Seward County Commissioner and the Seward County Administrator, who stated Seward County has recently seen a substantial increase in commercial motor vehicle traffic and the bill would enable the County to fund necessary road and bridge construction projects.

Written-only proponent testimony was provided by a representative of the Kansas Association of Counties.

No other testimony was provided.

The House Committee recommended the bill be placed on the Consent Calendar.

### *Senate Committee on Assessment and Taxation*

In the Senate Committee hearing, **proponent** testimony was provided by Representative Francis, who stated Seward County has seen an increase in demand and costs of construction for roads and bridges and the bill would give the residents of the county the option of adopting a sales tax to fund necessary such construction projects.

Written-only proponent testimony was provided by representatives of Seward County and the Kansas Association of Counties.

No other testimony was provided.

The Senate Committee amended the bill to provide for the repeal of obsolete and unused tax authority provisions and to insert the contents of SB 278, as introduced.

### ***SB 278 (Care to Share Cancer Support Group of Bourbon County Sales Tax Exemption)***

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Shallenburger.

The bill did not receive a hearing.

### **Fiscal Information**

#### ***HB 2004***

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates the provisions of the bill related to sales tax authority would have no state fiscal effect and would only affect local sales tax collections in Seward County.

**SB 278**

According to the Department of Revenue, the sales tax exemption for Care to Share Cancer Support Group of Bourbon County would result in a an estimated loss of \$10,500 of state sales tax in FY 2026, with \$8,600 from the State General Fund (SGF) and \$1,900 from the State Highway Fund (SHF). The exemption is estimated to have a loss at or above \$4,000 of state sales tax (\$3,300 SGF and \$700 SHF) in future years beginning FY 2027.

Taxation; sales tax; sales tax authority; Seward County; exemptions; Care to Share Cancer Support Group