

SESSION OF 2025

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2013

As Amended by House Committee on Taxation

Brief*

HB 2013, as amended, would discontinue the sales tax from sales of cable services subject to the federal franchise fee for cable operators.

Background

The bill was introduced by the House Committee on Taxation at the request of a representative of Harris Kelsey.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by a representative of Charter Communications, generally stating the bill would create tax parity for cable television providers in relation to streaming services.

Written-only proponent testimony was provided by Americans for Tax Reform and DISH Network and DIRECTV.

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

Opponent testimony was provided by representatives of the Kansas County Commissioners Association and League of Kansas Municipalities. The opponents generally stated the bill would unduly erode the local sales tax base and

*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/>

recommended the bill be amended to only apply to the state sales tax.

Written-only opponent testimony was provided by representatives of Americans for Prosperity-Kansas and Brightspeed.

No other testimony was provided.

The House Committee amended the bill to clarify that the sales tax would only be discontinued for cable providers subject to the federal franchise fee.

Fiscal Information

According to the Department of Revenue, enactment of the bill, as amended, would reduce state receipts by \$12.1 million in FY 2026, \$13.3 million in FY 2027, \$13.4 million in FY 2028, \$13.6 million in FY 2029, and \$13.7 million in FY 2030.

Of those amounts, State General Fund receipts would be reduced by \$9.9 million in FY 2026, \$10.9 million in FY 2027, \$11.0 million in FY 2028, \$11.2 million in FY 2029, and \$11.3 million in FY 2030.

State Highway Fund receipts would be reduced by \$2.2 million in 2026, \$2.4 million in FY 2027, \$2.4 million in FY 2028, \$2.4 million in FY 2029, and \$2.4 million in FY 2030.

Any fiscal effect associated with the bill is not reflected in *The FY 2026 Governor's Budget Report*.

Taxation; sales tax; cable