

SESSION OF 2025

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2377**

As Amended by House Committee on Taxation

**Brief\***

HB 2377, as amended, would require the apportionment of sales tax revenue among cities and counties that is based on the proportion of the tax levied by each city and county to remain unchanged between July 1, 2025, and December 31, 2026.

[*Note:* The apportionment of such revenue based on population would be unaffected by the bill.]

**Background**

The bill was introduced by the House Committee on Taxation at the request of Representative Hoheisel on behalf of Sedgwick County.

***House Committee on Taxation***

In the House Committee hearing, **proponent** testimony was provided by representatives of the Sedgwick County Board of County Commissioners and the Kansas County Commissioners Association. The proponents generally stated the component of the apportionment formula based on the amount of tax levied discourages local governments from reducing property taxes because it results in them receiving a smaller share of the sales tax collections. They stated the bill would remove this barrier to reducing property tax and allow

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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/>

collections to increase through the natural growth of the tax base, rather than only through growth of the budget.

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

No other testimony was provided.

The House Committee amended the bill to remove a change to apportionment based on assessed valuation and to maintain current apportionment ratios based on property tax through December 31, 2026.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates the bill would have no state fiscal effect and would only affect local sales tax revenues.

Taxation; property tax; apportionment