

SESSION OF 2012

SUPPLEMENTAL NOTE ON SENATE BILL NO. 369

As Recommended by Senate Committee on
Assessment and Taxation

Brief*

SB 369 would clarify the Department of Revenue's current interpretation that incarcerated persons are not eligible for either the food sales tax rebate or the homestead refund. It also would bar any food sales tax rebate or homestead refund claims filed by incarcerated persons on or after July 1, 2011.

Background

It has always been the Department of Revenue's interpretation that incarcerated persons are not eligible for the food sales tax rebate or the Homestead refund. However, the Small Claims Division of the Court of Tax Appeals recently issued a decision awarding a state prisoner a food sales tax rebate. The Department has appealed this ruling but indicates that the appeal likely will not be resolved until this summer. The Department thus seeks statutory clarification that neither program is available for incarcerated persons.

The fiscal note indicates that there would be no expected administrative or fiscal cost to the state for the implementation of this bill. If this bill were to not pass and the ruling of the small claims division were to be upheld, the potential would exist for expansion of both programs, but that amount has not been quantified.

*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 <http://www.kslegislature.org>