

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR
HOUSE BILL NO. 2058**

As Recommended by Senate Committee on
Assessment and Taxation

Brief*

Senate Sub. for HB 2058 would provide three sales tax exemptions.

One exemption would apply to certain sales of property or services purchased by a contractor for constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities of the Wichita Children's Home, provided the purchases would have otherwise been exempt if purchased directly by that entity. The Wichita Children's Home would be required to provide a contractor with a project exemption certificate.

A second exemption would apply to sales of property and services purchased by or on behalf of Reaching Out from Within, Inc., a not-for-profit group, for the purpose of sponsoring certain self-help programs for incarcerated persons.

A final exemption would apply to sales of property and services purchased by or on behalf of the Beacon, Inc., a not-for-profit group, for the purpose of helping persons during times of special need acquire food, shelter, clothing and other necessities of life.

*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>

Background

The original bill would have clarified the definition of natural gas for severance tax purposes to stipulate that helium was included. That provision was enacted in a separate bill in 2013. The Senate Assessment and Taxation Committee on March 20, 2014, recommended that the original bill's provisions be removed, a substitute bill be created, and the three sales tax exemptions be inserted.

A fiscal note on the Senate Committee's version of the bill was not immediately available.