

February 18, 2019

The Honorable Caryn Tyson, Chairperson  
Senate Committee on Assessment and Taxation  
Statehouse, Room 123-E  
Topeka, Kansas 66612

Dear Senator Tyson:

**SUBJECT:** Fiscal Note for SB 140 by Senators Hardy, Bowers, and Wilborn

In accordance with KSA 75-3715a, the following fiscal note concerning SB 140 is respectfully submitted to your committee.

SB 140 would allow a taxpayer to receive a new non-refundable income tax credit for 70.0 percent of the total amount contributed to the Eisenhower Foundation beginning in tax year 2019. Individual income taxpayers would only be allowed to claim up to \$25,000 per tax year and corporation income taxpayers would only be able to claim \$50,000 per tax year. The total amount of the tax credit would be capped at \$350,000 for any fiscal year and any unused tax credits would not be allowed to be carried forward into future tax years.

Estimated State Fiscal Effect				
	FY 2019 SGF	FY 2019 All Funds	FY 2020 SGF	FY 2020 All Funds
Revenue	--	--	(\$350,000)	(\$350,000)
Expenditure	--	--	\$582,535	\$582,535
FTE Pos.	--	--	--	--

The Department of Revenue estimates that SB 140 would decrease State General Fund revenues by \$350,000 in FY 2020. The Department of Revenue indicates that the bill would have a similar fiscal effect in future fiscal years. Eligible donations totaling \$500,000 to the Eisenhower Foundation would allow taxpayers to claim \$350,000 in tax credits, which is the maximum amount of tax credits that could be claimed in a fiscal year. The Eisenhower Foundation is in the process of a large capital campaign to finance the first full renovation of the Eisenhower Presidential Museum in over 45 years.

The Department of Revenue indicates that it would require a total \$582,535 from the State General Fund in FY 2020 to implement the bill and to modify the automated tax system. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue and outside contract programmer services. In addition, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with SB 140 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

Larry L. Campbell  
Director of the Budget

cc: Lynn Robinson, Department of Revenue