

February 23, 2022

The Honorable Adam Smith, Chairperson  
House Committee on Taxation  
Statehouse, Room 346-S  
Topeka, Kansas 66612

Dear Representative Smith:

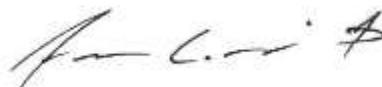
**SUBJECT:** Fiscal Note for HB 2485 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2485 is respectfully submitted to your committee.

HB 2485 would provide a sales tax exemption for all sales of tangible personal property by an organization that has student members and that contracts with a school operated by a school district if the sales raise money for the organization to benefit the member students of the organization. The bill would become effective on July 1, 2022.

The Department of Revenue indicates that HB 2485 would have no fiscal effect on state or local sales tax revenues. The Department indicates that current law provides a sales tax exemption for sales made by nonsectarian, comprehensive, multidiscipline youth development programs and activities, which includes certain school vocational organizations. As the bill is written, it appears that no additional student organizations would meet the criteria in the bill. According to the Department of Revenue, reissuing sales tax publications and updating forms would cost \$1,800 from the State General Fund in FY 2023. Any fiscal effect associated with HB 2485 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Lynn Robinson, Department of Revenue  
Brendan Yorkey, Department of Transportation  
Wendi Stark, League of Municipalities  
Jay Hall, Association of Counties