

SESSION OF 2022

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2719

As Recommended by House Committee on
Taxation

Brief*

HB 2719 would define telecommunications machinery and equipment to include machinery and equipment placed in inventory or work-in-progress for purposes of the telecommunications machinery and equipment property tax exemption.

Background

The bill was introduced by the House Committee on Taxation at the request of a representative of Ideatek.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by a representative of Ideatek, stating the bill would resolve inconsistency in the way telecommunications assets are treated for property tax purposes. Written-only proponent testimony was provided by a representative of AT&T.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue estimates

*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>

enactment of the bill would reduce revenues to the Educational Building Fund and the State Institutions Building Fund by a combined \$7,200 each year and the bill would reduce revenues generated by the statewide school finance levy by \$96,600 each year. Enactment of the bill would also decrease local tax revenue. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2023 Governor's Budget Report*.

Taxation; property tax; telecommunications; inventory; work-in-progress