

January 29, 2024

The Honorable Molly Baumgardner, Chairperson
Senate Committee on Education
300 SW 10th Avenue, Room 144-S
Topeka, Kansas 66612

Dear Senator Baumgardner:

SUBJECT: Fiscal Note for SB 360 by Senate Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning SB 360 is respectfully submitted to your committee.

SB 360 would allow taxpayers who contribute to a qualified tuition program account, qualified ABLE program account, or first-time home savings account on and after January 1 but prior to filing the individual income tax return on April 15th the ability to use this subtraction modification in the previous tax year. The contribution would not be allowed as a subtraction modification in more than one tax year. The changes to these subtraction modifications would become effective retroactive to tax year 2023. The bill would also remove outdated language from previous tax years.

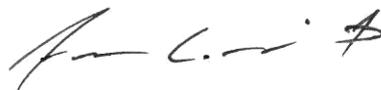
The bill authorizes the State Treasurer to appoint a Postsecondary Education Savings Program Advisory Council to make recommendations for the implementation and operation of this program. The State Treasurer would determine the membership of the Council, and members would serve at the pleasure of the State Treasurer. No member of the Council would receive any compensation, subsistence, mileage, or other allowance for serving on the Council. The bill would become effective upon publication in the *Kansas Register*.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	--	--
Revenues			
State General Fund	--	(\$100,000)	(\$100,000)
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	(\$100,000)	(\$100,000)
FTE Positions	--	--	--

The Department of Revenue estimates that SB 360 would decrease State General Fund revenues by \$100,000 in FY 2025, FY 2026, and FY 2027. The bill does not increase the allowed tax advantaged savings contributions but would allow taxpayers to better utilize contributions. This is expected to allow an additional \$1.3 million in contributions for qualified tuition program accounts, \$900,000 in contributions for ABLE accounts, and \$100,000 in contributions for first-time home buyer accounts each year. The additional contributions are estimated to decrease income tax collections by approximately \$100,000 each year. The Department indicates that the costs to implement the bill would be negligible and could be absorbed within existing resources.

The State Treasurer indicates that the costs to implement the bill are estimated to be negligible and could be absorbed within existing resources. The State Treasurer expects the bill to increase contributions to qualified tuition program accounts, qualified ABLE program accounts, and first-time home savings accounts, but is unable to estimate the amount of the increase. Any fiscal effect associated with SB 360 is not reflected in *The FY 2025 Governor’s Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
John Hedges, Office of the State Treasurer