

March 22, 2023

The Honorable Adam Smith, Chairperson  
House Committee on Taxation  
300 SW 10th Avenue, Room 346-S  
Topeka, Kansas 66612

Dear Representative Smith:

**SUBJECT:** Fiscal Note for HB 2433 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2433 is respectfully submitted to your committee.

Under current law, taxpayers that contribute to a qualified tuition program are allowed to subtract up to \$3,000 (up to \$6,000 for married filing jointly) from the amount of federal adjusted gross income that is used to calculate Kansas income taxes if the contribution occurs in the same tax year. HB 2433 would allow taxpayers who contribute to a qualified tuition program 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 The bill would also remove outdated language from previous tax years.

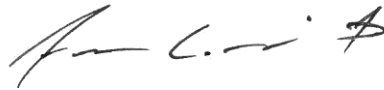
Estimated State Fiscal Effect				
	FY 2023 SGF	FY 2023 All Funds	FY 2024 SGF	FY 2024 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$77,427	\$77,427
FTE Pos.	--	--	--	--

The Department of Revenue indicates HB 2433 would have no fiscal effect on State General Fund revenues. The Department indicates that the bill would require \$77,427 from the State General Fund in FY 2024 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. 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.

The Office of the State Treasurer indicates that the costs to implement the bill are estimated to be negligible and could be absorbed within existing resources. The bill has the potential to increase contributions to a qualified tuition program by unknown amounts. Any fiscal effect associated with HB 2433 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

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