

SESSION OF 2024

SUPPLEMENTAL NOTE ON SENATE BILL NO. 376

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 376, as amended, would extend the income tax credit attributable to the retirement of indebtedness authorized by a single city port authority, currently scheduled to expire after tax year 2024, through tax year 2029.

Background

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of WATCO.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by a representative of WATCO. The proponent generally stated the bill would keep short rail lines open on the national freight line for select customers in rural Kansas.

Written-only proponent testimony was provided by representatives of the Kansas Cooperative Council and the Kansas Grain and Feed Association, stating the bill would ensure continued service to small Kansas towns.

No other testimony was provided.

The Senate Committee amended the bill to shorten the extension of the credit sunset from 20 years to 5 years.

*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>

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates enactment of the bill would reduce the State General Fund by \$500,000 in fiscal year 2026 and thereafter. The Department assumes the maximum credit would be used for each year it is available. The Department also indicates it would require \$1,365 to implement the bill and modify the automated system.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Taxation; income tax; tax credit; single city port authority