

SESSION OF 2023

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 60**

As Recommended by Senate Committee on  
Assessment and Taxation

**Brief\***

SB 60 would create a sales tax exemption for all sales of the services of slaughtering, butchering, custom cutting, dressing, processing, and packaging of an animal for human consumption when the animal is delivered or furnished by the customer and the meat is for use or consumption by the customer.

**Background**

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

***Senate Committee on Assessment and Taxation***

In the Senate Committee hearing, **proponent** testimony was provided by Senator Bowers and representatives of Kansas Farm Bureau and the Kansas Livestock Association. Proponents stated the exemption is conceptually in line with the reduced state sales tax rate on food and supportive of expansion in an industry that is in high demand.

Written-only neutral testimony was provided by a representative of the Kansas Association of Counties.

No other testimony was provided.

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\*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, the Department of Revenue estimates enactment of the bill would reduce state receipts by \$1.7 million in FY 2024 and by \$2.1 million in all future fiscal years. Of that amount, \$1.4 million in FY 2024 and \$1.7 million in all future years would be from the State General Fund and the balance would be from the State Highway Fund. Any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

Taxation; sales tax; exemption; custom butchering and meat processing