



February 15, 2024

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 2636 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2636 is respectfully submitted to your committee.

HB 2636 would allow renters to claim the Homestead Property Tax Refund for tax year 2024 and in each future tax year. The bill would allow renters to use 15.0 percent of their gross rent paid as a proxy for the property taxes paid.

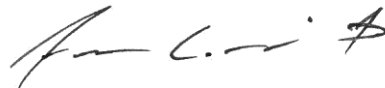
Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
<b>Expenditures</b>			
State General Fund	--	\$316,375	\$129,805
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$316,375	\$129,805
<b>Revenues</b>			
State General Fund	--	(\$14,070,000)	(\$14,070,000)
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	(\$14,070,000)	(\$14,070,000)
FTE Positions	--	2.00	2.00

The Department of Revenue estimates that HB 2636 would decrease State General Fund revenues by \$14,070,00 in FY 2025, FY 2026, and FY 2027.

To formulate these estimates, the Department of Revenue reviewed data from the U.S. Census and the Homestead Property Tax Refund Program. The Department indicates that the Homestead Property Tax Refund was last available to renters in tax year 2012 and estimates that taxpayers would claim approximately \$14,070,000 in additional Homestead Property Tax Refunds in each year beginning in tax year 2024 or FY 2025.

The Department indicates that the bill would require \$316,375 from the State General Fund in FY 2025 to implement the bill and to modify the automated tax system. The bill would require the Department to hire 2.00 new Customer Service Representatives to answer questions from taxpayers. The Department estimates that ongoing expenses for salaries and wages for the 2.00 new FTE positions would total \$129,805 from the State General Fund in FY 2026. 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. Any fiscal effect associated with HB 2636 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

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

Adam C. Proffitt  
Director of the Budget

cc: Lynn Robinson, Department of Revenue