

January 26, 2021

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 123-E
Topeka, Kansas 66612

Dear Senator Tyson:

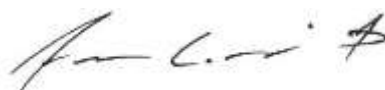
SUBJECT: Fiscal Note for SB 49 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 49 is respectfully submitted to your committee.

Under current law, corporate income taxpayers are able to claim the Single City Port Authority tax credit which is equal to the 100.0 percent of the amount attributable to the retirement of indebtedness authorized by a Single City Port Authority established before January 1, 2002, with the total amount of the tax credit capped at \$500,000 for tax years 2002 through tax year 2021. SB 49 extends the sunset through tax year 2041 and would allow individual income taxpayers to claim this tax credit beginning in tax year 2022.

The Department of Revenue indicates SB 49 has the potential to decrease individual and corporate income tax receipts beginning in tax year 2022 or FY 2023. The Department indicates that no Single City Port Authority tax credits have been claimed since 2013. The Department does not have data to estimate the fiscal effect of allowing individual income taxpayers the ability to claim this tax credit beginning in tax year 2022; however, the maximum amount of tax credits that could be claimed would be capped at \$500,000 per year. The Department indicates implementing the bill would have no fiscal effect on its operations. Any fiscal effect associated with SB 49 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue