

April 26, 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 2470 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2470 is respectfully submitted to your committee.

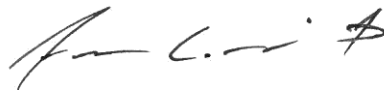
Under current law, taxpayers that participate in the homestead property tax rebate program are required to file their claim by April 15 of the year next succeeding the year in which the taxes were levied. HB 2470 would extend the deadline for filing homestead property tax rebate claims to April 15 of the third year next succeeding the year in which the taxes were levied.

The Department of Revenue estimates that HB 2470 would decrease State General Fund revenues by unknown amounts beginning in FY 2024. The Department indicates that the agency already allows claims to be filed after the due date whenever good cause exists, provided the claim is filed within four years of the original due date. However, the Department is unable to estimate the number of additional claims that would be filed beyond the original due date with or without good cause.

The Department of Revenue indicates that it would require a total \$116,854 from the State General Fund in FY 2024 to implement the bill and to modify the automated tax system. The bill would require the Department to hire 2.00 new FTE positions to answer questions from taxpayers and to review, process, and audit additional income tax returns. The Department estimates that ongoing expenses for salaries and wages for the 2.00 FTE positions and overhead expenses would total \$112,224 from the State General Fund in FY 2025. 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 2470 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