

March 18, 2019

The Honorable Steven Johnson, Chairperson  
House Committee on Taxation  
Statehouse, Room 185-N  
Topeka, Kansas 66612

Dear Representative Johnson:

**SUBJECT:** Fiscal Note for HB 2398 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2398 is respectfully submitted to your committee.

HB 2398 would require the Legislature to either repeal or suspend an existing exemption of equal or greater fiscal liability in order to enact any new sales tax exemption that goes into effect on or after July 1, 2019.

The Department of Revenue indicates HB 2398 would not have a direct fiscal effect on state or local sales tax revenues or make any changes to an existing sales tax exemption. However, the bill creates the possibility of future increased state and local sales tax collections if a new sales tax exemption is enacted that would have a lower fiscal effect than the corresponding exemption that is repealed or suspended.

Sincerely,



Larry L. Campbell  
Director of the Budget

cc: Chardae Caine, League of Municipalities  
Jay Hall, Association of Counties  
Lynn Robinson, Department of Revenue  
Ben Cleaves, Transportation