

March 27, 2019

REVISED

The Honorable Julia Lynn, Chairperson
Senate Committee on Commerce
Statehouse, Room 445-S
Topeka, Kansas 66612

Dear Senator Lynn:

SUBJECT: Revised Fiscal Note for SB 90 by Senate Committee on Commerce

In accordance with KSA 75-3715a, the following revised fiscal note concerning SB 90 is respectfully submitted to your committee.

SB 90 would allow financial institutions to claim the Center for Entrepreneurship tax credit beginning in tax year 2019. The bill would also increase the maximum amount of tax credits that any one taxpayer could claim from \$50,000 to \$100,000; however, the total amount of tax credits that could be claimed for all taxpayers would remain at \$2.0 million per fiscal year.

The Department of Revenue indicates that SB 90 would have no fiscal effect on State General Fund revenues. The Department of Revenue indicates that approximately \$1.9 million in tax credits were claimed in tax year 2017 and estimates that taxpayers will claim at or near the \$2.0 million maximum amount of allowable tax credits in future fiscal years.

The Department of Revenue indicates that it would require a total of \$170,655 from the State General Fund in FY 2020 to implement the bill and to modify the automated tax system. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue and outside contract programmer services. 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. Since the original fiscal note was issued, the Department of Revenue lowered its estimate on administrative costs needed to implement the bill. Any fiscal effect associated with SB 90 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Sherry Rentfro, Commerce
Lynn Robinson, Department of Revenue