

SESSION OF 2024

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 54**

As Amended by Senate Committee on  
Assessment and Taxation

**Brief\***

SB 54 would expand, beginning January 1, 2025, the state sales and use tax rate of zero percent currently applied to residential and agricultural sales of gas, electricity, heat, propane gas, liquified petroleum gas, coal, wood, and other fuel sources for the production of heat or lighting to all such sales.

Additionally, such sales would be added to the list of items expressly subject to sales taxes imposed by cities and counties.

**Background**

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Tyson.

***Senate Committee on Assessment and Taxation***

In the Senate Committee hearing on February 1, 2023, **proponent** testimony was provided by Representative Averkamp and representatives of the Citizens' Utility Ratepayer Board and Kansans for Lower Electric Rates. Proponents generally stated the bill would provide uniformity of state taxation of utilities sales and reduce the cost of utilities on businesses.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Written-only proponent testimony was provided by representatives of the Kansas Agribusiness Retailers Association, Kansas Association of Counties, Kansas Chamber of Commerce, and Kansas Grain and Feed Association.

No other testimony was provided.

On January 9, 2024, the bill was withdrawn from the Senate Calendar and rereferred to the Senate Committee on Assessment and Taxation.

Following discussion on February 8, 2024, the Senate Committee amended the bill to replace all referenced dates of June 30, 2024, with December 31, 2024, and July 1, 2024, with January 1, 2025, and to make technical changes.

### **Fiscal Information**

A revised fiscal note on the amended bill was not immediately available.

Any fiscal effect associated with the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Taxation; sales tax; utilities