

SOURCES ARE BASED ON THE FOLLOWING:
KANSAS BUEREAU OF INVESTIGATORS: 5,000 TEST A YEAR COSTING \$816,153.00 PER YEAR, TESTING 2,500 FARMS FOR COMPLIANCE

| 2015 KANSAS NUMBERS CORN ONLY, OTHER CROPS NOT TAKEN INTO CONSIDERATION | | CORN |
|--|-------------------|-------------|
| K-State Report MF571 Corn Cost-Return Budget in Northeaster Kansas | \$ (101.78) | |
| K-State Report MF993 Corn Cost-Return Budget in Southeaster Kansas | \$ (36.26) | |
| K-State Report MF3140 Corn Cost-Return Budget in Northwest Kansas | \$ 15.83 | |
| K-State Report MF3144 Corn Cost-Return Budget in Southwest Kansas | \$ 4.58 | |
| Average K-State Corn Cost-Return Budget in Kansas | \$ 29.41 | |
| Total Harvested Acres 4,800,000 | | |
| Total Average Income Estimated Using Numbers Available | \$ 141,156,000.00 | |

| INDUSTRIAL HEMP PROJECTIONS ESTIMATED BASED ON ACCREDIBLE REFERENCES | | INDUSTRIAL HEMP |
|---|--------------------------|------------------------|
| Kansas Bureau of Investigators estimate of farmers to monitor THC Levels | 2500 | |
| Total Acres presumed is calculated using 25% will plant 80 acres, 25% will plant 160 acres and 50% will plant 320 acres, for a total acres planted for demonstration: | 550,000 | |
| Canada report of net value of hemp per acre in 2013 | \$ 250.00 | |
| Kansas Farmer Total Net Income Projected Based On 2,500 Farms Being Monitored | \$ 137,500,000.00 | |
| Same acres plated in corn with a \$29.41 per acre return | \$ 16,174,125.00 | |

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| Kansas Farmer income increase by replacing 10% of corn crops with Industrial Hemp | \$ 121,325,875.00 |
|--|--------------------------|

| Kansas Income Tax for first \$15000 @ 2.6% (estimate) for farming | \$ 975,000.00 | KANSAS TAX REVENUE |
|---|------------------------|---------------------------|
| \$15,000*2500 Farmers*.026 Tax Rate (estimate for farming operation only) | | |
| Kansas Income Tax for above \$15000 @ 4.6% (estimate) for farming | \$ 4,600,000.00 | |
| \$137,500,000 minus (\$15,000*2500 Farmers)*.046 Tax Rate (estimate for farming operation only) | | |
| Income Tax from Industrial Hemp Farming | \$ 5,575,000.00 | |

POTENTIAL KANSAS TAX REVENUE FROM INDUSTRIAL HEMP FARMING ONLY, PROCESSING AND WAGES NOT INCLUDED

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|---|------------------------|
| INCOME: Estimated Kansas Income Tax based on sole proprietorship or S-Corporation | \$ 5,575,000.00 |
| INCOME: License Fees & Testing Fees (\$1300 based on other states observed for 2500 plots) | \$ 3,250,000.00 |
| EXPENSES: Kansas Bureau of Investigations Fiscal Budget Estimate of 5,000 test or 2500 plots | \$ (816,153.00) |
| Expenses: No other Fiscal Notes Known At This Time | \$ - |
| POTENTIAL KANSAS REVENUE USING KANSAS BUEREAU OF INVESTATION ESTIMATES | \$ 8,008,847.00 |

Note that KBI, Fiscal Note for Fiscal Year 2019 is reduced by 23%. (Subsequent years are not mentioned)

| Acres | Total Farmers | % Farms @ Acres | # Farmers | Total Acres |
|---------------|---------------|-----------------|-------------|----------------|
| 80 | 2500 | 25% | 625 | 50,000 |
| 160 | 2500 | 25% | 625 | 100,000 |
| 320 | 2500 | 50% | 1250 | 400,000 |
| TOTALS | | | 2500 | 550,000 |