

February 27, 2019

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2356 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2356 is respectfully submitted to your committee.

HB 2356 would require the purchaser of a motor vehicle from a vehicle dealer to pay the sales tax on the vehicle to the county treasurer or the Director of Taxation. The sales tax due would be calculated based on the county sales tax rate or the sales tax of the city and county where the purchaser is required to register the motor vehicle. Under current law, the sales tax rate assessed on motor vehicles purchased from a vehicle dealer is the rate in effect at the dealer's place of business. Current law also allows that if the rate at the dealer's place of business is less than the rate at the location the vehicle is registered, the purchaser is liable for the difference between the two rates.

Estimated State Fiscal Effect				
	FY 2019 SGF	FY 2019 All Funds	FY 2020 SGF	FY 2020 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$74,853
FTE Pos.	--	--	--	1.00

The Department of Revenue estimates it would require additional expenditures of \$74,853 from special revenue funds and 1.00 FTE position for FY 2020. The figure includes salaries and

wages of \$59,117 for a position to handle additional refund requests and \$15,736 for systems programming changes. The Department was unable to estimate the fiscal effect on local governments. Any fiscal effect associated with HB 2356 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

Larry L. Campbell
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Jay Hall, Association of Counties