

April 12, 2021

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 123-E
Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 306 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 306 is respectfully submitted to your committee.

SB 306 would provide a sales tax exemption to a county ambulance service district organized as a public not-for-profit corporation for the purpose of providing ambulance service to part or all of the county and used exclusively for the purpose of providing ambulance service, emergency medical service, and non-emergency patient transport to residents of the county and to other persons in and around the county. The sales tax exemption would specifically include, but is not limited to, ambulances, ambulance components, rescue vehicles, truck chassis, gurneys, defibrillators, oxygen tanks, training and certification materials, equipment, and supplies.

Estimated State Fiscal Effect				
	FY 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	--	--	(\$25,000)	(\$30,000)
Expenditure	--	--	\$1,200	\$1,200
FTE Pos.	--	--	--	--

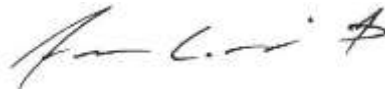
The Department of Revenue estimates that SB 306 would decrease state revenues by \$30,000 in FY 2022. Of that total, the State General Fund is estimated to decrease by \$25,000 in FY 2022, while the State Highway Fund is estimated to decrease by \$5,000 in FY 2022. The Department of Revenue indicates that this bill would have a similar fiscal effect in future fiscal

years. This bill also is estimated to decrease local sales tax revenues; however, the specific estimate of lower local sales tax revenues was not calculated by the Department of Revenue.

The Department of Revenue reviewed data on non-profit county ambulance service districts from the Kansas Board of Emergency Medical Services, which indicates that there are five districts in the state that would qualify for this sales tax exemption. According to the Department of Revenue, reissuing sales tax publications and issuing tax entity exemption certificates would cost \$1,200 from the State General Fund in FY 2022.

The Kansas Department of Transportation indicates that the bill would reduce state revenues to the State Highway Fund as noted above. The Kansas Association of Counties and the League of Kansas Municipalities indicate that the bill would provide a net reduction to local sales tax collections that are used in part to finance local governments. Any fiscal effect associated with SB 306 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Wendi Stark, League of Municipalities
Jay Hall, Association of Counties
Lynn Robinson, Department of Revenue
Ben Cleeves, Transportation