

SESSION OF 2024

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2662

As Recommended by House Committee on
Taxation

Brief*

HB 2662 would provide a sales tax exemption for purchases for the construction, equipment, and maintenance of buildings operated by the Kansas Fairgrounds Foundation and located on the grounds of the Kansas State Fair and for purchases made by a contractor for purposes of constructing and maintaining such facilities.

For purchases made after January 1, 2024, but prior to the effective date of the bill, the bill would provide for refunds of sales tax to be paid by the Department of Revenue.

Background

The bill was introduced by the House Committee on Taxation at the request of Representative Moser on behalf of the Kansas Fairgrounds Foundation.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by Representative Moser, Representative Murphy, and three representatives of the Kansas Fairgrounds Foundation. Written-only proponent testimony was provided by a representative of the Kansas State Fair. Proponents generally stated the Kansas Fairgrounds Foundation provides a great benefit to the state, that projects undertaken by the

*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>

Foundation become state property even though funded entirely by private donations, and that the bill would increase the impact of such improvements.

No other testimony was provided.

The House Committee recommended the bill be placed on the Consent Calendar.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue estimates the bill would decrease state revenues by \$188,000 in FY 2025. Of this amount, \$155,000 would be from the State General Fund and the balance from the State Highway Fund. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Taxation; sales tax; sales tax exemptions; Kansas Fairgrounds Foundation