

March 6, 2023

The Honorable Adam Smith, Chairperson  
House Committee on Taxation  
300 SW 10th Avenue, Room 346-S  
Topeka, Kansas 66612

Dear Representative Smith:

**SUBJECT:** Fiscal Note for HB 2204 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2204 is respectfully submitted to your committee.

HB 2204 would create a new refundable income tax credit for family caregivers of disabled veterans beginning in tax year 2023. The new tax credit would equal \$1,500 for a family caregiver providing care for a single disabled veteran and equal \$3,000 for a family caregiver providing care for two or more disabled veterans. To qualify for this tax credit, a Kansas resident would have to provide at least six months of continuous, in-person personal care services to one or more family members who are disabled veterans, the disabled veteran would be required to have left service with an honorable discharge or a date of medical discharge, and the disabled veteran has received a total disability rating for service-connected disability from the U.S. Department of Veterans Affairs. The Department of Revenue would have the authority to write rules and regulations to implement the bill.

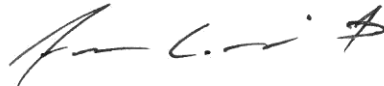
| Estimated State Fiscal Effect |                |                      |                |                      |
|-------------------------------|----------------|----------------------|----------------|----------------------|
|                               | FY 2023<br>SGF | FY 2023<br>All Funds | FY 2024<br>SGF | FY 2024<br>All Funds |
| Revenue                       | --             | --                   | (\$12,800,000) | (\$12,800,000)       |
| Expenditure                   | --             | --                   | \$99,105       | \$99,105             |
| FTE Pos.                      | --             | --                   | --             | --                   |

The Department of Revenue estimates that HB 2204 would decrease State General Fund revenues by \$12.8 million in FY 2024 and future fiscal years. To formulate these estimates, the

Department of Revenue reviewed data from the Kansas Commission on Veteran Affairs which indicate that in 2022, 8,538 Kansas veterans had a 100.0 disability compensation rating. The Department assumes that all of these disabled veterans would have one qualified family caregiver.

The Department indicates that the bill would require \$99,105 from the State General Fund in FY 2024 to implement the bill and to modify the automated tax system. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. In addition, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with HB 2204 is not reflected in *The FY 2024 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: Lynn Robinson, Department of Revenue