

January 30, 2012

The Honorable Richard Carlson, Chairperson
House Committee on Taxation
Statehouse, Room 274-W
Topeka, Kansas 66612

Dear Representative Carlson:

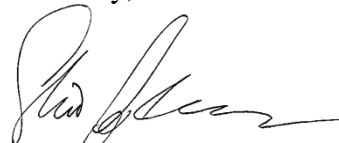
SUBJECT: Fiscal Note for HB 2454 by Representative O'Neal, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2454 is respectfully submitted to your committee.

HB 2454 would create an individual income tax checkoff program for the Kansas Arts Commission. Taxpayers would have the option of adding a donation on their Kansas individual income tax form to the Kansas Arts Commission Checkoff Fund in the amount of \$1, \$5, \$10, or any other amount on their 2012 tax return. All monies collected would be used solely for the purpose of funding the Kansas Arts Commission.

The Department of Revenue indicates HB 2454 would have no fiscal effect on State General Fund revenues. The Department is unable to estimate the amount of revenue that would be generated as a result of this new checkoff program. The Department indicates that because the checkoff program would not begin until tax year 2013, the estimated administrative costs of \$87,880 from the State General Fund to modify the automated tax system would not be required until FY 2014. The Department estimates that the bill would require 1,846 hours of in-house programming and 1,120 hours of testing which would be performed by existing staff of the Department of Revenue. However, 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, expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with HB 2454 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue