

SESSION OF 2014

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2464

As Amended by House Committee on Taxation

Brief*

HB 2464, as amended, would extend to the financial institutions privilege tax, effective in tax year 2014, a special “expensing” deduction previously available only under the corporate income tax for certain qualifying investments.

Background

Legislation enacted in 2011 provided the expensing deduction for income taxpayers. The bill was requested for introduction and supported by the Kansas Bankers Association, whose representative said financial institutions hope to gain “equal footing” with non-bank businesses by being able to avail themselves of the expensing opportunity.

The original bill would have been retroactive to tax year 2013. The House Taxation Committee amended the bill to decelerate the new expensing deduction availability until tax year 2014.

The Department of Revenue indicated in the original fiscal note that passage of the bill as introduced would necessitate an additional \$54,665 in administrative costs for FY 2015. A revised fiscal note on administrative costs relative to the House Committee version was not immediately available. A representative of the Department stated the House Committee version would be expected to have the following impact on State General Fund receipts:

*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>

(\$ in millions)

FY 2015	\$	(\$0.55)
FY 2016		(\$0.55)
FY 2017		(\$0.55)
FY 2018		(\$0.55)
FY 2019		<u>(\$0.55)</u>
5-yr total	\$	<u><u>(\$2.75)</u></u>