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House Committee on Taxation

Testimony by the Kansas Department of Revenue in Support of Senate Bill 130
by Anna Landis

Representative Steven Johnson and Members of the Committee:

The Department of Revenue respectfully submits the following testimony to the Committee in support of Senate Bill 130.

The Department has submitted SB 130 as amended for K.S.A. 79-3302 and K.S.A. 79-3399 of the Cigarette and Tobacco Products Act relating to the definition of "Consumable Material".

K.S.A. 79-3302 was amended to include K.S.A. 79-3399 into the Cigarette and Tobacco Products Act. We believe this was merely an oversight. This amendment expands the Act to include the Consumable Materials tax and grant the Department enforcement powers.

Based on an agreement with the Department and industry, the bill as amended delays the effective date of the tax to July 1, 2017, and reduces the tax rate to \$0.05 per milliliter. It also includes a definition of "consumable material" to mean any liquid solution or other material that is depleted as an electronic cigarette is used. The Department included a definition of consumable material to provide clarity for the agency and the industry.

Thank you for the opportunity to present this testimony on behalf of Department of Revenue.