

February 21, 2017

The Honorable Clay Aurand, Chairperson  
House Committee on Education  
Statehouse, Room 286-N  
Topeka, Kansas 66612

Dear Representative Aurand:

**SUBJECT:** Fiscal Note for HB 2252 by House Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2252 is respectfully submitted to your committee.

HB 2252 would amend the Tax Credit for Low Income Students Scholarship Program. The bill would provide that after July 1, 2017, no scholarship could be provided by any scholarship granting organization (SGO) to an eligible student unless the student received a scholarship under the program in the immediately preceding year. In addition, the aggregate number of all eligible students who could continue receiving scholarships under the program after July 1, 2017, could not exceed 190 students. The bill would not allow any contributions by eligible financial institutions to any SGO after July 1, 2017. Finally, in the same fiscal year in which no scholarships are reported as being awarded, the provisions of the program would be repealed in statute by a certification by the State Board of Education to the Revisor of Statutes.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	\$550,000	\$550,000
Expenditure	\$240	\$240	--	--
FTE Pos.	--	--	--	--

The Department of Revenue states that enactment of HB 2252 would increase revenues to the State General Fund of approximately \$550,000 after tax year 2017, as the bill would no longer allow eligible financial institutions that currently receive a tax credit against its privilege tax liability to receive the tax credit. Assuming all contributions by eligible financial institutions would be made before July 1, 2017, the earliest the State General Fund would see additional

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revenues would be FY 2019. The Department notes that although the current program has a statutory cap of \$10.0 million in tax credits, the agency has only awarded approximately \$550,000 in tax credits for tax years 2015 and 2016.

In addition, the Department would require additional expenditures of \$240 in FY 2018 for changes needed with corporate and privilege tax return forms and instructions, as well as associated software updates. Any fiscal effect associated with HB 2252 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,  
Director of the Budget

cc: Dale Dennis, Education  
Lynn Robinson, Department of Revenue