

February 27, 2019

The Honorable Ty Masterson, Chairperson  
Senate Committee on Utilities  
Statehouse, Room 224-E  
Topeka, Kansas 66612

Dear Senator Masterson:

**SUBJECT:** Fiscal Note for SB 127 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 127 is respectfully submitted to your committee.

SB 127 would prohibit any electric or natural gas public utility subject to Kansas Corporation Commission jurisdiction from recovering federal or state income tax expense through its base rates beginning January 1, 2019. Prior to January 1, 2020, these utilities would be required to implement an income tax reimbursement charge as a separate monthly charge on customer bills.

According to the Kansas Department of Revenue and the Kansas Corporation Commission, enactment of SB 127 would have no fiscal effect on agency budgets.

Sincerely,



Larry L. Campbell  
Director of the Budget

cc: Jake Fisher, KCC  
Lynn Robinson, Department of Revenue