

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6527H.011
 Bill No.: HB 3143
 Subject: Taxation and Revenue - Sales and Use; Political Subdivisions; Counties; Elderly;
 Department of Revenue
 Type: Original
 Date: April 7, 2026

Bill Summary: This proposal authorizes counties to impose a local sales tax for funding senior citizen services programs, subject to voter approval.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	\$0	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown
Total Estimated Net Effect on General Revenue	\$0	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown

*Oversight notes DOR’s estimated administrative costs of (\$30,188) per county could exceed (\$250,000) if at least 9 counties implement the tax (pending voter approval). Oversight assumes the unknown gain in revenue from DOR’s 1% collected fee could exceed \$250,000.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

§67.598 - County Senior Services Program Sales Taxes

Officials from the **Department of Revenue (DOR)** note this provision would allow any county to adopt a sales tax not to exceed 0.25% for the purpose of funding senior services. The county must take the issue to the vote of the people to be enacted. This proposal would become effective August 28, 2026, and therefore the first election this issue could go to the ballot is at the April 2027 municipal election. Therefore, the first time the tax could be collected is starting October 1, 2027 (FY 2028).

This proposal indicates in Section 67.598.2 that the tax could be administered by the county if not administered by DOR. However, Section 67.598.3 says the county shall enter into an agreement to have DOR collect the tax. If DOR administers the tax, DOR would need to update the department's 4-sales tax collection and distribution systems at a cost of \$7,547 each (\$30,188) for each county that adopts this tax. DOR would also need to notify retailers in the area of the sales tax rate change. DOR notes that when the department collects a sales tax, DOR is allowed to retain 1% of the amount collected to reimburse the department's expenses. The 1% collection fee is deposited into general revenue.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume the bill allows any county to impose a sales tax on all retail sales made within the county. The tax shall not exceed one-fourth of one percent and shall be solely for the purpose of funding senior services by the county. This becomes effective upon a vote of the people in the county. B&P defers to the counties for estimates of actual collections.

To the extent that increased sales taxes are collected by the DOR, any related collection fee would be an increase to TSR. B&P defers to DOR for any such estimate.

Oversight is unable to determine if/how many counties may administer the proposed sales tax. Therefore, Oversight will show a range of \$0 (not approved by voters) to an unknown gain in revenue to locals and General Revenue.

Oversight assumes the unknown gain in revenue from DOR's 1% collected fee could exceed \$250,000.

Oversight will show the one-time cost (\$2,200) to update the sales tax forms in FY 2028 in addition to the cost to update the department's 4-sales tax collection and distribution systems at a cost of \$7,547 each (\$30,188) for each county that adopts this tax.

Oversight notes DOR’s estimated administrative costs of (\$30,188) per county could exceed \$250,000 if at least 9 counties implement this tax.

Officials from the **Office of the Secretary of State** and the **City of Kansas City** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost</u> – DOR (\$67.598) Updates for sales tax forms and collection and distribution systems, if approved by voters (\$30,188 per county)	\$0	\$0 or (Could exceed \$32,388)	\$0 or (Could exceed \$30,188)
<u>Revenue Gain</u> – DOR (\$67.598) 1% collection fee on county senior services sales tax, if approved by voters	\$0	\$0 or Unknown	\$0 or Unknown
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> – Counties (§67.598) Senior services sales tax, if approved by voters	\$0	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>

FISCAL IMPACT – Small Business

Certain small businesses in counties that implement the proposed local sales tax could be impacted by this proposal.

FISCAL DESCRIPTION

This bill allows the governing body of any county to impose a 0.25% sales tax for the purpose of funding senior services.

The tax authorized by this bill must be approved by voters of the county in order to be collected.

The bill allows the governing body of any county that has authorized the tax, and whose voters have approved the tax, to repeal the tax, subject to voter approval.

The bill creates a petition process for the repeal of the tax as well. Each county imposing the tax authorized by this bill must establish a senior services tax commission to administer the tax revenue dedicated to providing senior services. The commission will consist of seven members appointed by the county commission, which will determine the qualifications, terms of office, compensation, powers, duties, restrictions, procedures, and all other necessary functions of the senior services tax commission.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Revenue
Office of Administration - Budget and Planning
Office of the Secretary of State
City of Kansas City



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April 7, 2026



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April 7, 2026