

SENATE BILL No. 371

By Committee on Assessment and Taxation

1-27

AN ACT concerning income taxation; relating to credits; retailer costs in implementing destination-based sourcing sales tax rules.

Be it enacted by the Legislature of the State of Kansas:

Section 1. For any retailer duly registered to collect Kansas retailers' sales or compensating use tax pursuant to K.S.A. 79-3608, and amendments thereto, and required to file monthly returns pursuant to K.S.A. 79-3609, and amendments thereto, that has total state and local retailers' sales or compensating use tax liability not exceeding \$10,000 in either calendar year 2003 or 2004 and that reports and remits local retailers' sales or compensating use tax for multiple local taxing jurisdictions as a result of the destination-based sourcing rules pursuant to K.S.A. 79-3670 *et seq.*, and amendments thereto, there shall be allowed as a credit in an amount as provided in this section against the income tax liability of such retailer imposed under the Kansas income tax act during the taxable year 2004. Such tax credit shall be in an amount equal to the costs incurred by such retailer to implement such destination-based sourcing rules, not to exceed \$500 per retailer, for the retailer's purchases of computer hardware or software, modifications to computer software, or other equipment directly related to and required for such implementation during the taxable year 2003 or 2004. Such tax credit may be claimed only one time. Any retailer claiming this tax credit shall file documentation required by the secretary sufficient to verify such retailer's qualification for the tax credit with the income tax return at the time the credit is claimed.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.