

Approved: 2/26/87

Minutes of the House Committee on Taxation. This was a joint meeting with the Governmental Organization Sub-Committee #1, held in Room 519-S at 9:00 a.m. on February 25, 1987. The meeting was called to order by Representative E. C. Rolfs.

All members of the House Taxation Committee were present.

Director Harley Duncan, Department of Revenue, presented a summary of Field Audit Activity for fiscal year ended June 30, 1978 to 1986 (nine years) (Attachment 1)

There were questions from the committee concerning length of time for audit (six months to three years), whether there should be an audit every year, and methods of collecting sales tax. They discussed the possibility of collecting sales tax on mail order sales and oversea sales. Committee members also questioned Mr. Duncan concerning abatements, collecting tax on foreign dividends, and waters edge and its effects.

Mr. Larry Humes, Department of Revenue, presented a Proposed Collection System and a schedule showing collection process for Individual Income Tax. (Attachment 2) There were further questions for Mr. Duncan and Mr. Humes about methods of collecting taxes.

There being no further business, the meeting was adjourned.



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E. C. Rolfs, Chairman

House Tax Com. - 2/25/87 - Attach. 1

Fiscal Year ended June 30,	1978	1979	1980	1981	1982	1983	1984	1985	1986	Total
<b>Assessments:</b>										
Corporate Income Tax	2048819-	8994204-	19022277-	16276391-	28509917-	32325476-	29451989-	31868779-	39838106-	209335958-
Sales & Use Tax	2470499-	3632402-	4760619-	9418820-	12464087-	10383979-	8673141-	17944636-	14684356-	84432539-
Excise Tax	251486-	221908-	212081-	1049108-	19944-	514149-	322715-	78888-	17348-	2687627-
<b>Total</b>	<b>47770804-</b>	<b>12848514-</b>	<b>23994977-</b>	<b>26744319-</b>	<b>41993948-</b>	<b>43223604-</b>	<b>38447845-</b>	<b>49892303-</b>	<b>54539810-</b>	<b>296456124-</b>
<b>Abatements:</b>										
Corporate Income Tax	100968-	204089-	907282-	899779-	848193-	710040-	7776913-	11167131-	7156405-	297708
Sales & Use Tax	0	522375-	1241032-	2189180-	1520918-	1841617-	5534269-	950288-	10847297-	27646970-
Excise Tax	0	13719-	20831-	25498-	0	53806-	47214-	39574-	40952-	241599-
<b>Total</b>	<b>100968-</b>	<b>740183-</b>	<b>2169145-</b>	<b>3114457-</b>	<b>2369111-</b>	<b>2605463-</b>	<b>13358396-</b>	<b>12156993-</b>	<b>18044654-</b>	<b>34659370-</b>
<b>Cash Collections:</b>										
Corporate Income Tax	335628-	3368334-	6418521-	5540256-	6547315-	10192727-	17281179-	27566216-	24123847-	9374023-
Sales & Use Tax	2048978-	2468401-	2850402-	4806046-	4290257-	4482390-	5493624-	6041575-	5500796-	37982469-
Excise Tax	111427-	118755-	271515-	192508-	1166-	128714-	284157-	49648-	75838-	1233728-
<b>Total</b>	<b>2496033-</b>	<b>5955490-</b>	<b>9540438-</b>	<b>10538810-</b>	<b>10838738-</b>	<b>14803831-</b>	<b>23058960-</b>	<b>33657439-</b>	<b>29700481-</b>	<b>16590220-</b>

Audit Services Bureau

Summary of Field Audit Accounts Receivables (Less Receivables sent to Field Services)

As of February 23, 1987

COLUMBIA PAPER

	1	2	3	4	5
		#		Total Amount	
1					
2	Corporate Income	96		68999819-	
3					
4	Retailers' Sales	381		9923415-	
5					
6	Retailers' Compensating Use	45		1116886-	
7					
8	Consumers' Compensating Use	217		9848918-	
9					
10	Retail Liquor Excise	14		195600-	
11					
12	Bingo Enforcement	2		2058-	
13					
14	Transient Guest	5		14679-	
15					
16	Special Fuel	0		0	
17					
18	Withholding	0		0	
19					
20	Liquor Enforcement	1		1628-	
21					
22	Total	761		130103003-	
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

\* Corporation

Number	Range	Total \$
1	\$34,924,921	\$34,924,921
1	13,440,409	13,440,409
10	1,022,889 - 10,918,866	45,059,761
9	534,532 - 935,121	6,200,811
33	105,028 - 485,157	7,889,914
10	61,201 - 93,752	790,422
16	21,038 - 58,836	611,304
6	10,363 - 19,220	83,697
8	1 - 9,495	42,147
2	<8,026> - <35,541>	<43,567>
<u>96</u>		<u>\$108,999,819</u>

# \* Retailers Sales Tax Audits

<u>Number</u>	<u>Range</u>	<u>Total \$</u>
1	\$ 3,175,372	\$ 3,175,372
1	590,579	590,579
9	103,060 - 412,625	1,889,004
20	50,690 - 95,573	1,382,033
92	10,020 - 49,321	2,110,605
180	1,009 - 9,750	790,465
34	504 - 992	24,246
36	71 - 485	9,212
<u>8</u>	<u>&lt; 142 &gt; - &lt; 27,968 &gt;</u>	<u>&lt; 48,101 &gt;</u>
<u>381</u>		<u>\$ 9,923,415</u>

\* Retailer's Compensating Use

<u>Number</u>	<u>Range</u>	<u>Total \$</u>
1	\$450,573	\$450,573
2	100,577 - 104,068	204,625
2	58,142 - 58,642	114,785
11	10,589 - 45,974	262,210
18	1,555 - 8,846	76,270
8	547 - 943	5,826
<u>3</u>	169 - 248	<u>597</u>
<u>45</u>		<u>\$1,116,886</u>

\* Consumer's Compensating Use

<u>Number</u>	<u>Range</u>	<u>Total \$</u>
3	\$1,316,817 - 1,776,761	\$4,751,335
9	103,535 - 851,043	2,617,370
11	53,537 - 96,732	839,058
54	10,010 - 49,635	1,211,924
39	5,009 - 9,987	275,364
47	1,104 - 4,979	128,297
23	502 - 985	17,083
31	68 - 497	8,487

217

\$9,848,918

\* Retail Liquor Excise

<u>Number</u>	<u>Range</u>	<u>Total \$</u>
1	\$ 90,866	\$ 90,866
2	37,584 - 39,382	76,966
2	5,538 - 4,690	12,228
4	2,299 - 4,512	12,551
4	350 - 975	3,128
1	{ 139 }	{ 139 }
<u>14</u>		<u>\$ 195,600</u>



\* Bingo Enforcement

Number                      Range                      Total \$

2

\$ 352 - 1,706

\$2,058

2

\$2,058

\* Transient Guest

<u>Number</u>	<u>Range</u>	<u>Total \$</u>
1	\$11,060	\$11,060
<u>4</u>	340 - 2,006	<u>3619</u>
<u>5</u>		<u>\$14,679</u>

\* With holding

<u>Number</u>	<u>Range</u>	<u>Total \$</u>
<u>1</u>	\$1,628	<u>\$1,628</u>
1		\$1,628

Kansas Dept. of Revenue  
Audit Bureau  
Corporate Income Tax Field Audit Recinables  
By Issue

<u>Issue</u>	<u>Number</u>	<u>Dollars</u>
1. Combination	35	# 43,549,517
2. 80/20's	5	30,340,027
3. Foreign Dividends	16	12,484,142
4. Non-Business Income	28	21,304,705
5. Factor adjustment	7	376,607
6. Miscellaneous	5	944,821
Total	96	# 108,999,819

Audit E Team

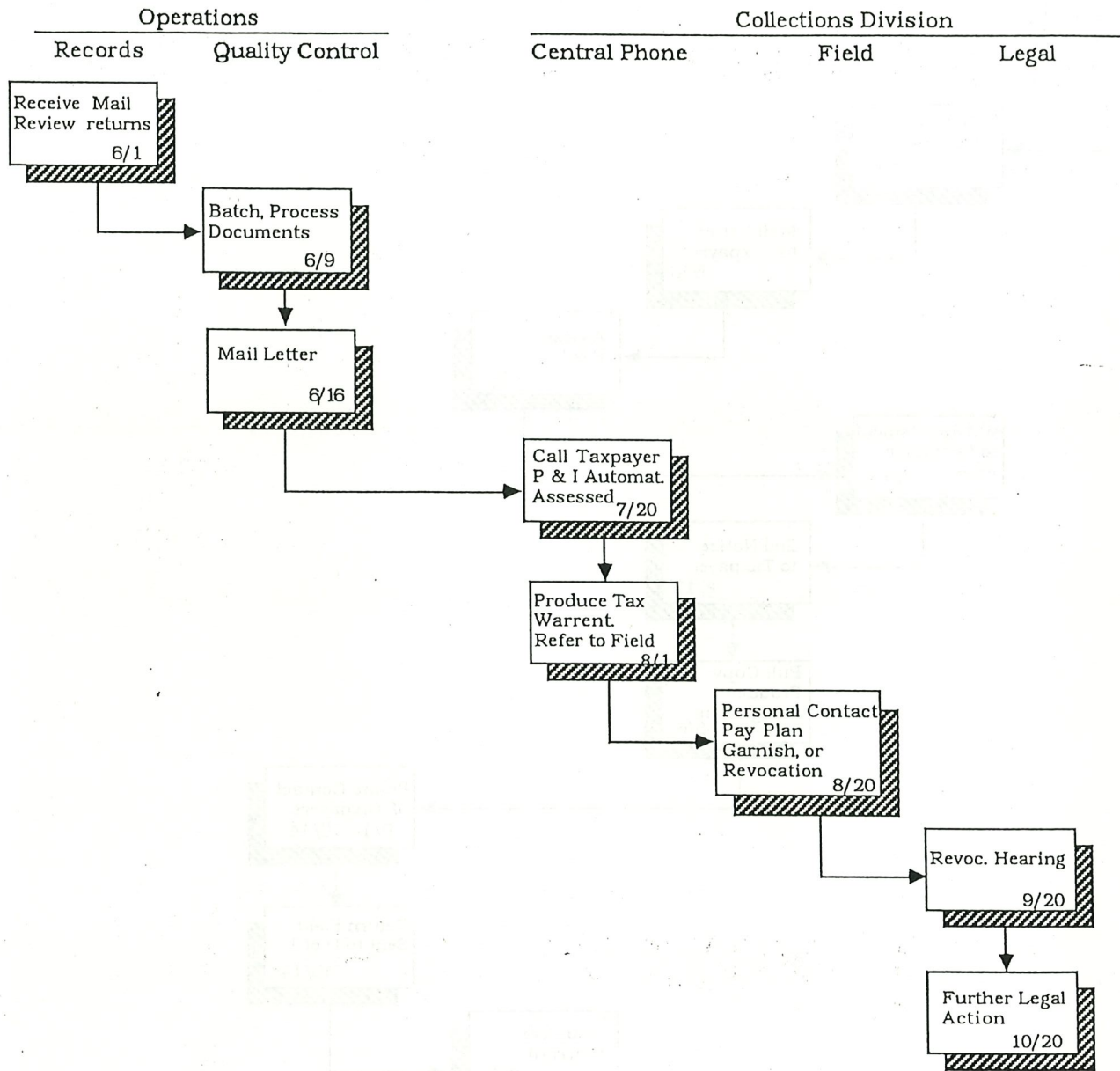
Code 9 Field Audit Accounts Receivable  
Sales, Use, & Excise Taxes (Not Corporate)

<u>Number</u>	<u>Range</u>	<u>Total \$</u>
1	\$224,153	\$224,153
1	128,714	128,714
1	56,415	56,415
36	10,056 - 40,458	798,455
32	5,018 - 5897	212,072
106	1,035 - 4,710	262,512
27	504 - 980	18,171
<u>54</u>	<u>76 - 482</u>	<u>14,137</u>

258

\$ 1,714,631

# Proposed Collection system



## Collection Process Individual Income Tax

