

SESSION OF 2004

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 411**

As Recommended by Senate Committee  
on Assessment and Taxation

**Brief\***

SB 411 would replace the formal appeal process for drug tax assessments, currently under the Kansas Administrative Procedures Act (KAPA), with an informal conference process similar to that used currently for income and sales tax administrative appeals.

Specifically, the bill would:

- ! Eliminate the requirement that a hearing be conducted in accordance with KAPA when a taxpayer appeals an assessment of the drug tax imposed pursuant to KSA 79-5204.
- ! Provide for an alternative process for dealing with such appeals, the detail of which follows:
  - " Permit the taxpayer to request, in writing, an informal conference with the Secretary of Revenue or the Secretary's designee;
  - " Specify the process shall not constitute an adjudicative proceeding under KAPA and the rules of evidence shall not apply;
  - " Authorize a record of the informal conference be made only at the request and expense of the taxpayer;
  - " Allow the taxpayer to be represented by a Kansas-licensed attorney and to present information from other persons;
  - " Require the Secretary or designee to issue a final determination within 270 days of the date of the request;

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- " Deem a final determination, whether issued within or after 270 days and with or without extension, constitutes final agency action subject to review by the State Board of Tax Appeals; and
- " State that neither a taxpayer's request for informal conference nor his/her appeal can stay the collection of the assessment, but these actions shall stay the sale of real or personal property seized as a result of the delinquency in question.

## **Background**

The Secretary of Revenue appeared as a proponent of SB 411. The Department of Revenue requested the bill in an attempt to reduce the clerical time currently required to prepare and mail hearing notices and orders required by KAPA. No one testified in opposition to the measure.

The fiscal note on SB 411 indicated the bill's passage would not affect state revenues or expenditures.