

SESSION OF 2010

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2520

As Recommended by House Committee on
Taxation

Brief*

HB 2520 would amend a number of different tax statutes to specifically provide that the definition of the term “willfully” relative to persons who willfully fail to collect state taxes would have the same meaning such term has for federal tax purposes pursuant to the Internal Revenue Code.

Background

The bill was requested for introduction and supported by the Department of Revenue.

Under long-standing current state and federal laws, persons “willfully” failing to collect taxes may be held personally liable. Up until 2009, the state had assumed that “willfully” was to be construed the same under state law as it is under federal. But a 2009 Kansas Court of Tax Appeals ruling (*In re Appeal of Hirt*, Docket No. 2006-8531-DT) held that the “willful” requirement in Kansas law is more restrictive and therefore requires a higher standard of proof than under federal law.

The fiscal note indicated that passage of the bill would be expected to increase FY 2011 SGF receipts by an estimated \$0.438 million.

*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>