

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Taxation** recommends **SB 193**, as amended by Senate Committee, be amended on page 1, after line 5, by inserting the following:

"New Section 1. Except as otherwise provided, no deduction or credit provided under the Kansas income tax act, and amendments thereto, shall be allowed any individual who fails to provide a valid social security number issued to such individual, the individual's spouse and dependents of the individual for purposes of section 205(c)(2)(A) of the social security act on such individual's Kansas income tax return as the identifying number for such individual for tax purposes. The provisions of this section shall not apply to the credit provided by K.S.A. 79-32,111, and amendments thereto.

Sec. 2. K.S.A. 2010 Supp. 79-3221 is hereby amended to read as follows: 79-3221. (a) All returns required by this act shall be made as nearly as practical in the same form as the corresponding form of income tax return by the United States. Unless another identifying number has been assigned to an individual by the internal revenue service for purposes of filing such individual's federal income tax return, the social security number issued to an individual, the individual's spouse, and all dependents of such individual for purposes of section 205(c)(2)(A) of the social security act shall be used as the identifying number and included on the return when filing such return.

(b) All returns shall be filed in the office of the director of taxation on or before the 15th day of the fourth month following the close of the taxable year, except as provided in subsection (c) hereof. Tentative returns may be filed before the close of the taxable year and the estimated tax computed on such return, paid, but no interest will be paid on any overpayment of tax liability, computed on such tentative return.

(c) The director of taxation may grant a reasonable extension of time for filing returns in accordance with rules and regulations of the secretary of revenue. Whenever any such extension of time to file is requested by a taxpayer and granted by the director with respect to any tax year commencing after December 31, 1992, no penalty authorized by K.S.A. 79-3228, and amendments thereto, shall be imposed if 90% of the liability is paid on or before the original due date.

(d) In the case of an individual serving in the armed forces of the United States, or serving in support of such armed forces, in an area designated by the president of the United States by executive order as a "combat zone" as defined under 26 U.S.C. § 112 at any time during the period designated by the president by executive order as the period of combatant activities in such zone for the purposes of such section, or hospitalized as a result of injury received or sickness incurred while serving in such an area during such time, the period of service in such area, plus the period of continuous qualified hospitalization attributable to such injury or sickness, and the next 180 days thereafter, shall be disregarded in determining, under article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, in respect ~~of~~ to any tax liability, (including any interest, penalty, additional amount, or addition to the tax), of such individual:

(1) Whether any of the following acts was performed within the time prescribed therefor: (A) Filing any return of income tax; (B) payment of any income tax or installment thereof; (C) filing a notice of appeal with the director of taxation or the state court of tax appeals for redetermination of a deficiency or for a review of a decision rendered by either the director or the state court of tax appeals; (D) allowance of a credit or refund of any income tax; (E) filing a claim for credit or refund of any income tax; (F) bringing suit upon any such claim for credit or refund; (G) assessment of any income tax; (H) giving or making any notice or demand for the payment of any income tax, or with respect to any liability to the state of Kansas in respect of any income tax; (I) collection, by the director of taxation or ~~his or her~~ the director's agent, by warrant, levy or otherwise, of the amount of any liability

in respect to any income tax; (J) bringing suit by the state of Kansas, or any officer on its behalf, in respect to any liability in respect of any income tax; and (K) any other act required or permitted under the Kansas income tax act specified in rules and regulations adopted by the secretary of revenue under this section;

(2) The amount of any credit or refund.

(e) (1) Subsection (d) shall not apply for purposes of determining the amount of interest on any overpayment of tax.

(2) If an individual is entitled to the benefits of subsection (d) with respect to any return and such return is timely filed (~~determined after the application of such subsection~~) subsection (d), subsections (e)(5) and (e)(7) of K.S.A. 79-32,105, and amendments thereto, shall not apply.

(f) The provisions of ~~subsection (d) and the subsequent subsections of this section~~ subsection (d) through (j) shall apply to the spouse of any individual entitled to the benefits of subsection (d). Except in the case of the combat zone designated for purposes of the Vietnam conflict, ~~the preceding sentence~~ this subsection shall not cause ~~subsection (d) and the subsequent subsections of this section~~ subsection (d) through (j) to apply for any spouse for any taxable year beginning more than two years after the date designated under 26 U.S.C. § 112, and amendments thereto, as the date of termination of combatant activities in a combat zone.

(g) The period of service in the area referred to in subsection (d) shall include the period during which an individual entitled to benefits under subsection (d) is in a missing status, within the meaning of 26 U.S.C. § 6013(f)(3).

(h) (1) Notwithstanding the provisions of subsection (d), any action or proceeding authorized by K.S.A. 79-3229, and amendments thereto, as well as any other action or proceeding authorized by law in connection therewith, may be taken, begun or prosecuted. In any other case in which the secretary determines that collection of the amount of any assessment would be jeopardized by delay, the

provisions of subsection (d) shall not operate to stay collection of such amount by levy or otherwise as authorized by law. There shall be excluded from any amount assessed or collected pursuant to this subsection the amount of interest, penalty, additional amount, and addition to the tax, if any, in respect of the period disregarded under subsection (d). In any case to which this ~~paragraph~~ subsections relates, if the secretary is required to give any notice to or make any demand upon any person, such requirement shall be deemed to be satisfied if the notice or demand is prepared and signed, in any case in which the address of such person last known to the secretary is in an area for which United States post offices under instructions of the postmaster general are not, by reason of the combatant activities, accepting mail for delivery at the time the notice or demand is signed. In such case the notice or demand shall be deemed to have been given or made upon the date it is signed.

(2) The assessment or collection of any tax under the provisions of article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, or any action or proceeding by or on behalf of the state in connection therewith, may be made, taken, begun or prosecuted in accordance with law, without regard to the provisions of subsection (d), unless prior to such assessment, collection, action or proceeding it is ascertained that the person concerned is entitled to the benefits of subsection (d).

(i) (1) Any individual who performed Desert Shield services, ~~(and the spouse of such individual)~~, shall be entitled to the benefits of ~~subsection (d) and the subsequent subsections of this section~~ subsections (d) through (j) in the same manner as if such services were services referred to in subsection (d).

(2) For purposes of this subsection, the term "Desert Shield services" means any services in the armed forces of the United States or in support of such armed forces if:

(A) Such services are performed in the area designated by the president as the "Persian Gulf Desert Shield area"; and

(B) such services are performed during the period beginning on August 2, 1990, and ending on the

date on which any portion of the area referred to in ~~subparagraph (A)~~ subsection (i)(2)(A) is designated by the president as a combat zone pursuant to 26 U.S.C. § 112.

(j) For purposes of subsection (d), the term "qualified hospitalization" means:

(1) Any hospitalization outside the United States; and

(2) any hospitalization inside the United States, except that not more than five years of hospitalization may be taken into account under this ~~paragraph subsection~~. This ~~paragraph subsection~~ shall not apply for purposes of applying ~~subsection (d) and the subsequent subsections of this section~~ subsections (d) through (j) with respect to the spouse of an individual entitled to the benefits of subsection (d).

Sec. 3. K.S.A. 79-32,111a is hereby amended to read as follows: 79-32,111a. (a) There shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to 25% of the amount of the credit allowed against such taxpayer's federal income tax liability pursuant to 26 U.S.C. § 21 for the taxable year in which such credit was claimed against the taxpayer's federal income tax liability.

(b) The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by K.S.A. 79-32,110, and amendments thereto, reduced by the sum of any other credits allowable pursuant to law.

(c) No credit provided under this section shall be allowed any individual who fails to provide a valid social security number issued by the social security administration, to such individual, the individual's spouse and every dependent of the individual.;

And by renumbering sections accordingly;

Also on page 1, in line 27, after "K.S.A." by inserting "79-32,111a and"; also in line 27, by striking "is" and inserting "and K.S.A. 2010 Supp. 79-3221 are";

Also on page 1, in the title, in line 1, by striking "sales" the first time it appears; also in line 1, by striking the second semicolon and inserting a comma; in line 2, after the semicolon, by inserting

"income tax returns, social security numbers;"; also in line 2, after "K.S.A." by inserting "79-32,111a and"; in line 3, after "and" by inserting "K.S.A. 2010 Supp. 79-3221 and"; also in line 3, by striking "section" and inserting "sections";

And the bill be passed as amended.

Chairperson