

SESSION OF 2012

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2610**

As Recommended by House Committee on  
Taxation

**Brief\***

HB 2610 would expand the definition of a retailer doing business in this state for purposes of sales and use tax collection to include those retailers who enter into certain agreements with Kansas residents. Such agreements would include those entered into with one or more residents of Kansas under which the resident, in exchange for some consideration, directly or indirectly refers potential customers from Kansas so long as the cumulative gross receipts stemming from transactions generated by such references exceed \$10,000 during the preceding 12 months.

The bill also would create provisions of law by which retailers could submit proof they do not meet the requirements established in the expanded definition.

Additional language in the bill would provide that any ruling, agreement, or contract between a retailer and the state's executive branch or state agency agreeing that a retailer is not required to collect sales and use tax despite the presence of a warehouse, distribution center or fulfillment center is null and void unless specifically approved by a majority vote in each chamber of the Legislature.

Finally, the bill would mandate that any vendor selling or leasing tangible personal property to the state be required to register as a retailer for Kansas sales tax purposes.

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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>

## **Background**

Proponents, who included the Kansas Chamber of Commerce and Wal-Mart, indicated similar "E-Fairness" legislation was being adopted in a number of other states.

The fiscal note indicated the bill would increase state sales and use tax collections by a negligible amount and would require modifications to several sales tax publications at a cost of \$5,250.