

SESSION OF 2011

SUPPLEMENTAL NOTE ON SENATE BILL NO. 193

As Amended by House Committee on
Taxation

Brief*

SB 193, as amended, would provide that deductions or most credits available for income tax purposes would no longer be allowed relative to individuals and their spouses and dependents for whom valid federal Social Security numbers have not been provided. This disallowance provision would not apply to the credit for taxes paid to other states pursuant to KSA 79-32,111.

Additional provisions would clarify that the disallowance provisions would apply specifically to tax credits for dependent care and for food sales tax rebates (in addition to most other tax credits); and that food sales tax rebate claims would be required to contain clear statements as to which of the three qualifying demographic criteria claimants are seeking to utilize (age 55 and above, dependent children below age 18, or disability).

Language in the bill further would provide that unless another identifying number has been assigned to an individual by the federal Internal Revenue Service for purposes of filing such individual's federal income tax return, Social Security numbers issued to the individual, the individual's spouse, and all dependents would be required to be used as the identifying number and included on Kansas returns.

*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

The original bill dealt only with the aforementioned food sales tax rebate program provisions.

Senator Love appeared as a proponent in the Senate Assessment and Taxation Committee; and Representative Calloway appeared as a proponent in the House Taxation Committee.

The Senate Committee amendment was technical.

The House Taxation Committee amended the bill to incorporate the provisions of HB 2348 (relating to deductions and most income tax credits) and HB 2349 (relating to the credit for dependent care expenses).

The Department of Revenue indicated that the House Taxation Committee version of the bill would be expected to increase State General Fund receipts by about \$15.3 million in FY 2012. This fiscal note is based on an analysis of tax year 2009 returns wherein about 21,000 returns claimed various deductions and credits without listing Social Security numbers.

The Department also observed in the fiscal note on HB 2348, which is now incorporated in SB 193, that “enactment of this legislation may trigger litigation in federal courts raising one or more perceived constitutional violations.”