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Nick Jordan, Secretary
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Sam Brownback, Governor

TO: Senator Ty Masterson, Chairman
Senate Ways & Means Committee

FROM: Jim Conant, Director
Resource Management

DATE: March 19, 2013

RE: Request to Amend HB 2195

HB 2195 (claims against the state), as amended by the House Committee on Appropriations, requires the Department of Revenue to use SGF operating funds to pay an alternative fuel incentive claim under a program which was never funded or implemented. The Interim Claims committee originally recommended payment of the claim via direct SGF payment, the intended source of funding when the incentive program was created.

In the version before the committee today, the bill requires KDOR to pay this claim for a tax incentive from operating funds appropriated to the agency. The retail incentive in question was never funded, and no claims for the incentive, including the one in the bill, were reviewed or processed by KDOR. No transfers were made to the retail dealer incentive fund and KDOR received no other funds to implement the incentive. The net effect of the bill is a reduction in the operations budget utilized by the Division of Taxation to process and collect taxes due to the state. KDOR requests that Section 4 of HB 2195 be further amended to return to the original bill, as introduced.

Senate Ways and Means Committee
Date: 3-19-2013
Attachment #: 2