

SESSION OF 2014

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2557

As Amended by House Committee of the Whole

Brief*

HB 2557, as amended by the House Committee of the Whole, would exempt from a 50 percent underpayment of liability penalty provided under current law certain income taxpayers who timely pay (generally within 30 days) any tax assessed pursuant to adjustments made by the Director of Taxation. In order to qualify for this exemption, taxpayers must have previously paid in full the amount of tax due as stated on the original returns.

The bill also would provide for refunds of sales taxes paid on and after July 1 for required textbooks purchased in Kansas by students enrolled at postsecondary educational institutions in the state (defined to include public and private universities, municipal universities, community colleges, and technical colleges). Refunds would be claimed pursuant to forms developed by the Director of Taxation, which would need to be accompanied by sufficient documentation of the textbook purchases.

Background

The original bill dealt with the penalty provision relative to certain income taxpayers. The House Committee of the Whole on February 18 amended the bill to incorporate the textbook sales tax refund provisions.

Proponents of the original bill, including representatives of the Kansas Society of CPAs and the Kansas Chapter of

*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>

the National Association of Tax Professionals, said the bill would help relieve burdensome penalties sometimes levied on taxpayers who have filed incorrect returns.

A fiscal note provided by the Department of Revenue on the original bill indicated the bill would be expected to reduce State General Fund receipts by \$0.5 million annually and would necessitate an additional \$156,700 in additional administrative costs for the Department of Revenue in FY 2015. A fiscal note on the House Committee of the Whole amendment was not immediately available