

January 21, 2015

The Honorable Les Donovan, Sr., Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 123-E
Topeka, Kansas 66612

Dear Senator Donovan:

SUBJECT: Fiscal Note for SB 31 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 31 is respectfully submitted to your committee.

SB 31 would amend several statutes involving confidentiality of tax information, tax liens, and tax warrants. The bill would allow the Department of Revenue to disclose taxpayer information in any civil or criminal action or proceeding to enforce the tax or revenue laws of the state. The bill would allow tax liens and warrants to be applied to personal property in addition to real property. Notices sent to a taxpayer would also be required to include the warrant.

The bill would allow the Department of Revenue to change the filing frequency for sales taxes and liquor taxes in cases when the Department has cause to believe that the tax would be converted, diverted, lost, or otherwise not timely paid if the taxpaying business were to remain on its normal filing schedule. The bill would change the word "individual" to "person" for who is the responsible party for the collection and payment of retail sales and compensating use taxes.

The Department of Revenue indicates passage of SB 31 would have no fiscal effect on state revenues or the operating budget of the Department. However, the Department indicates that if the responsible party is not changed to "person" for the collection and payment of retail sales and compensating use taxes, the Department is in risk of not collecting about \$2.0 million of tax delinquencies for each fiscal year. The Department indicates the term "person" would encompass all the various entities that might act as a responsible party for the collection and remittance of taxes and ensure that delinquent taxes are paid by the responsible party, including corporate entities. Any fiscal effect associated with SB 31 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Jack Smith, Department of Revenue