

**SENATE BILL No. 31**

By Committee on Assessment and Taxation

1-15

1 AN ACT concerning taxation; relating to permitted use of tax information;  
2 tax liens upon personal property; warrants; time for returns and  
3 payment of tax; liability for persons responsible for collection of sales  
4 or compensating tax; amending K.S.A. 2014 Supp. 75-5133, 79-3234,  
5 79-3235, 79-3235a, 79-3607, 79-3617, 79-3643 and 79-41a03 and  
6 repealing the existing sections; also repealing K.S.A. 2014 Supp. 79-  
7 3235b.

8  
9 *Be it enacted by the Legislature of the State of Kansas:*

10 Section 1. K.S.A. 2014 Supp. 75-5133 is hereby amended to read as  
11 follows: 75-5133.(a) Except as otherwise more specifically provided by  
12 law, all information received by the secretary of revenue, the director of  
13 taxation or the director of alcoholic beverage control from returns, reports,  
14 license applications or registration documents made or filed under the  
15 provisions of any law imposing any sales, use or other excise tax  
16 administered by the secretary of revenue, the director of taxation, or the  
17 director of alcoholic beverage control, or from any investigation conducted  
18 under such provisions, shall be confidential, and it shall be unlawful for  
19 any officer or employee of the department of revenue to divulge any such  
20 information except in accordance with other provisions of law respecting  
21 the enforcement and collection of such tax, in accordance with proper  
22 judicial order or as provided in K.S.A. 74-2424, and amendments thereto.

23 (b) The secretary of revenue or the secretary's designee may:

24 (1) Publish statistics, so classified as to prevent identification of  
25 particular reports or returns and the items thereof;

26 (2) allow the inspection of returns by the attorney general or the  
27 attorney general's designee;

28 (3) provide the post auditor access to all such excise tax reports or  
29 returns in accordance with and subject to the provisions of ~~subsection (g)~~  
30 of K.S.A. 46-1106(g), and amendments thereto;

31 (4) disclose taxpayer information from excise tax returns to persons  
32 or entities contracting with the secretary of revenue where the secretary  
33 has determined disclosure of such information is essential for completion  
34 of the contract and has taken appropriate steps to preserve confidentiality;

35 (5) provide information from returns and reports filed under article 42  
36 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto,

1 to county appraisers as is necessary to insure proper valuations of property.  
2 Information from such returns and reports may also be exchanged with any  
3 other state agency administering and collecting conservation or other taxes  
4 and fees imposed on or measured by mineral production;

5 (6) provide, upon request by a city or county clerk or treasurer or  
6 finance officer of any city or county receiving distributions from a local  
7 excise tax, monthly reports identifying each retailer doing business in such  
8 city or county or making taxable sales sourced to such city or county,  
9 setting forth the tax liability and the amount of such tax remitted by each  
10 retailer during the preceding month, and identifying each business location  
11 maintained by the retailer and such retailer's sales or use tax registration or  
12 account number;

13 (7) provide information from returns and applications for registration  
14 filed pursuant to K.S.A. 12-187, and amendments thereto, and K.S.A. 79-  
15 3601, and amendments thereto, to a city or county treasurer or clerk or  
16 finance officer to explain the basis of statistics contained in reports  
17 provided by subsection (b)(6);

18 (8) disclose the following oil and gas production statistics received by  
19 the department of revenue in accordance with K.S.A. 79-4216 et seq., and  
20 amendments thereto: Volumes of production by well name, well number,  
21 operator's name and identification number assigned by the state  
22 corporation commission, lease name, leasehold property description,  
23 county of production or zone of production, name of purchaser and  
24 purchaser's tax identification number assigned by the department of  
25 revenue, name of transporter, field code number or lease code, tax period,  
26 exempt production volumes by well name or lease, or any combination of  
27 this information;

28 (9) release or publish liquor brand registration information provided  
29 by suppliers, farm wineries, microdistilleries and microbreweries in  
30 accordance with the liquor control act. The information to be released is  
31 limited to: Item number, universal numeric code, type status, product  
32 description, alcohol percentage, selling units, unit size, unit of  
33 measurement, supplier number, supplier name, distributor number and  
34 distributor name;

35 (10) release or publish liquor license information provided by liquor  
36 licensees, distributors, suppliers, farm wineries, microdistilleries and  
37 microbreweries in accordance with the liquor control act. The information  
38 to be released is limited to: County name, owner, business name, address,  
39 license type, license number, license expiration date and the process agent  
40 contact information;

41 (11) release or publish cigarette and tobacco license information  
42 obtained from cigarette and tobacco licensees in accordance with the  
43 Kansas cigarette and tobacco products act. The information to be released

1 is limited to: County name, owner, business name, address, license type  
2 and license number;

3 (12) provide environmental surcharge or solvent fee, or both,  
4 information from returns and applications for registration filed pursuant to  
5 K.S.A. 65-34,150 and 65-34,151, and amendments thereto, to the secretary  
6 of health and environment or the secretary's designee for the sole purpose  
7 of ensuring that retailers collect the environmental surcharge tax or solvent  
8 fee, or both;

9 (13) provide water protection fee information from returns and  
10 applications for registration filed pursuant to K.S.A. 82a-954, and  
11 amendments thereto, to the secretary of the state board of agriculture or the  
12 secretary's designee and the secretary of the Kansas water office or the  
13 secretary's designee for the sole purpose of verifying revenues deposited to  
14 the state water plan fund;

15 (14) provide to the secretary of commerce copies of applications for  
16 project exemption certificates sought by any taxpayer under the enterprise  
17 zone sales tax exemption pursuant to ~~subsection (cc)~~ of K.S.A. 79-  
18 3606(cc), and amendments thereto;

19 (15) disclose information received pursuant to the Kansas cigarette  
20 and tobacco act and subject to the confidentiality provisions of this act to  
21 any criminal justice agency, as defined in ~~subsection (e)~~ of K.S.A. 22-  
22 4701(c), and amendments thereto, or to any law enforcement officer, as  
23 defined in K.S.A. 2014 Supp. 21-5111, and amendments thereto, on behalf  
24 of a criminal justice agency, when requested in writing in conjunction with  
25 a pending investigation;

26 (16) provide to retailers tax exemption information for the sole  
27 purpose of verifying the authenticity of tax exemption numbers issued by  
28 the department;

29 (17) provide information concerning remittance by sellers, as defined  
30 in K.S.A. 2014 Supp. 12-5363, and amendments thereto, of prepaid  
31 wireless 911 fees from returns to the local collection point administrator,  
32 as defined in K.S.A. 2014 Supp. 12-5363, and amendments thereto, for  
33 purposes of verifying seller compliance with collection and remittance of  
34 such fees; ~~and~~

35 (18) release or publish charitable gaming information obtained in  
36 bingo licensee and registration applications and renewals in accordance  
37 with the bingo act, K.S.A. 79-4701 et seq., and amendments thereto. The  
38 information to be released is limited to: The name, address, phone number,  
39 license registration number and email address of the organization,  
40 distributor or of premises; *and*

41 *(19) disclose taxpayer information in any administrative proceeding*  
42 *or any civil or criminal action or proceeding brought to enforce the tax or*  
43 *revenue laws of this state with respect to such taxpayer.*

1 (c) Any person receiving any information under the provisions of  
2 subsection (b) shall be subject to the confidentiality provisions of  
3 subsection (a) and to the penalty provisions of subsection (d).

4 (d) Any violation of this section shall be a class A, nonperson  
5 misdemeanor, and if the offender is an officer or employee of this state,  
6 such officer or employee shall be dismissed from office. Reports of  
7 violations of this paragraph shall be investigated by the attorney general.  
8 The district attorney or county attorney and the attorney general shall have  
9 authority to prosecute any violation of this section if the offender is a city  
10 or county clerk or treasurer or finance officer of a city or county.

11 Sec. 2. K.S.A. 2014 Supp. 79-3234 is hereby amended to read as  
12 follows: 79-3234. (a) All reports and returns required by this act shall be  
13 preserved for three years and thereafter until the director orders them to be  
14 destroyed.

15 (b) Except in accordance with proper judicial order, or as provided in  
16 subsection (c) or in K.S.A. 17-7511, ~~subsection (g) of~~ K.S.A. 46-1106(g),  
17 K.S.A. 46-1114, or K.S.A. 79-32,153a, and amendments thereto, it shall be  
18 unlawful for the secretary, the director, any deputy, agent, clerk or other  
19 officer, employee or former employee of the department of revenue or any  
20 other state officer or employee or former state officer or employee to  
21 divulge, or to make known in any way, the amount of income or any  
22 particulars set forth or disclosed in any report, return, federal return or  
23 federal return information required under this act; and it shall be unlawful  
24 for the secretary, the director, any deputy, agent, clerk or other officer or  
25 employee engaged in the administration of this act to engage in the  
26 business or profession of tax accounting or to accept employment, with or  
27 without consideration, from any person, firm or corporation for the  
28 purpose, directly or indirectly, of preparing tax returns or reports required  
29 by the laws of the state of Kansas, by any other state or by the United  
30 States government, or to accept any employment for the purpose of  
31 advising, preparing material or data, or the auditing of books or records to  
32 be used in an effort to defeat or cancel any tax or part thereof that has been  
33 assessed by the state of Kansas, any other state or by the United States  
34 government.

35 (c) The secretary or the secretary's designee may: (1) Publish  
36 statistics, so classified as to prevent the identification of particular reports  
37 or returns and the items thereof;

38 (2) allow the inspection of returns by the attorney general or other  
39 legal representatives of the state;

40 (3) provide the post auditor access to all income tax reports or returns  
41 in accordance with and subject to the provisions ~~of subsection (g) of~~  
42 K.S.A. 46-1106(g) or K.S.A. 46-1114, and amendments thereto;

43 (4) disclose taxpayer information from income tax returns to persons

1 or entities contracting with the secretary of revenue where the secretary  
2 has determined disclosure of such information is essential for completion  
3 of the contract and has taken appropriate steps to preserve confidentiality;

4 (5) disclose to the secretary of commerce the following: (A) Specific  
5 taxpayer information related to financial information previously submitted  
6 by the taxpayer to the secretary of commerce concerning or relevant to any  
7 income tax credits, for purposes of verification of such information or  
8 evaluating the effectiveness of any tax credit or economic incentive  
9 program administered by the secretary of commerce; (B) the amount of  
10 payroll withholding taxes an employer is retaining pursuant to K.S.A.  
11 2014 Supp. 74-50,212, and amendments thereto; (C) information received  
12 from businesses completing the form required by K.S.A. 2014 Supp. 74-  
13 50,217, and amendments thereto; and (D) findings related to a compliance  
14 audit conducted by the department of revenue upon the request of the  
15 secretary of commerce pursuant to K.S.A. 2014 Supp. 74-50,215, and  
16 amendments thereto;

17 (6) disclose income tax returns to the state gaming agency to be used  
18 solely for the purpose of determining qualifications of licensees of and  
19 applicants for licensure in tribal gaming. Any information received by the  
20 state gaming agency shall be confidential and shall not be disclosed except  
21 to the executive director, employees of the state gaming agency and  
22 members and employees of the tribal gaming commission;

23 (7) disclose the taxpayer's name, last known address and residency  
24 status to the Kansas department of wildlife, parks and tourism to be used  
25 solely in its license fraud investigations;

26 (8) disclose the name, residence address, employer or Kansas  
27 adjusted gross income of a taxpayer who may have a duty of support in a  
28 title IV-D case to the secretary of the Kansas department for children and  
29 families for use solely in administrative or judicial proceedings to  
30 establish, modify or enforce such support obligation in a title IV-D case. In  
31 addition to any other limits on use, such use shall be allowed only where  
32 subject to a protective order which prohibits disclosure outside of the title  
33 IV-D proceeding. As used in this section, "title IV-D case" means a case  
34 being administered pursuant to part D of title IV of the federal social  
35 security act, 42 U.S.C. § 651 et seq., and amendments thereto. Any person  
36 receiving any information under the provisions of this subsection shall be  
37 subject to the confidentiality provisions of subsection (b) and to the  
38 penalty provisions of subsection (e);

39 (9) permit the commissioner of internal revenue of the United States,  
40 or the proper official of any state imposing an income tax, or the  
41 authorized representative of either, to inspect the income tax returns made  
42 under this act and the secretary of revenue may make available or furnish  
43 to the taxing officials of any other state or the commissioner of internal

1 revenue of the United States or other taxing officials of the federal  
2 government, or their authorized representatives, information contained in  
3 income tax reports or returns or any audit thereof or the report of any  
4 investigation made with respect thereto, filed pursuant to the income tax  
5 laws, as the secretary may consider proper, but such information shall not  
6 be used for any other purpose than that of the administration of tax laws of  
7 such state, the state of Kansas or of the United States;

8 (10) communicate to the executive director of the Kansas lottery  
9 information as to whether a person, partnership or corporation is current in  
10 the filing of all applicable tax returns and in the payment of all taxes,  
11 interest and penalties to the state of Kansas, excluding items under formal  
12 appeal, for the purpose of determining whether such person, partnership or  
13 corporation is eligible to be selected as a lottery retailer;

14 (11) communicate to the executive director of the Kansas racing  
15 commission as to whether a person, partnership or corporation has failed  
16 to meet any tax obligation to the state of Kansas for the purpose of  
17 determining whether such person, partnership or corporation is eligible for  
18 a facility owner license or facility manager license pursuant to the Kansas  
19 parimutuel racing act;

20 (12) provide such information to the executive director of the Kansas  
21 public employees retirement system for the purpose of determining that  
22 certain individuals' reported compensation is in compliance with the  
23 Kansas public employees retirement act, K.S.A. 74-4901 et seq., and  
24 amendments thereto;

25 (13) (i) provide taxpayer information of persons suspected of  
26 violating K.S.A. 2014 Supp. 44-766, and amendments thereto, to the  
27 secretary of labor or such secretary's designee for the purpose of  
28 determining compliance by any person with the provisions of subsection  
29 ~~(i)(3)(D)~~ of K.S.A. 44-703(i)(3)(D) and K.S.A. 2014 Supp. 44-766, and  
30 amendments thereto. The information to be provided shall include all  
31 relevant information in the possession of the department of revenue  
32 necessary for the secretary of labor to make a proper determination of  
33 compliance with the provisions of subsection ~~(i)(3)(D)~~ of K.S.A. 44-703(i)  
34 (3)(D) and K.S.A. 2014 Supp. 44-766, and amendments thereto, and to  
35 calculate any unemployment contribution taxes due. Such information to  
36 be provided by the department of revenue shall include, but not be limited  
37 to, withholding tax and payroll information, the identity of any person that  
38 has been or is currently being audited or investigated in connection with  
39 the administration and enforcement of the withholding and declaration of  
40 estimated tax act, K.S.A. 79-3294 et seq., and amendments thereto, and the  
41 results or status of such audit or investigation;

42 (ii) any person receiving tax information under the provisions of this  
43 paragraph shall be subject to the same duty of confidentiality imposed by

1 law upon the personnel of the department of revenue and shall be subject  
2 to any civil or criminal penalties imposed by law for violations of such  
3 duty of confidentiality; and

4 (iii) each of the secretary of labor and the secretary of revenue may  
5 adopt rules and regulations necessary to effect the provisions of this  
6 paragraph;

7 (14) provide such information to the state treasurer for the sole  
8 purpose of carrying out the provisions of K.S.A. 58-3934, and  
9 amendments thereto. Such information shall be limited to current and prior  
10 addresses of taxpayers or associated persons who may have knowledge as  
11 to the location of an owner of unclaimed property. For the purposes of this  
12 paragraph, "associated persons" includes spouses or dependents listed on  
13 income tax returns; ~~and~~

14 (15) after receipt of information pursuant to subsection (f), forward  
15 such information and provide the following reported Kansas individual  
16 income tax information for each listed defendant, if available, to the state  
17 board of indigents' defense services in an electronic format and in the  
18 manner determined by the secretary: (A) The defendant's name; (B) social  
19 security number; (C) Kansas adjusted gross income; (D) number of  
20 exemptions claimed; and (E) the relevant tax year of such records. Any  
21 social security number provided to the secretary and the state board of  
22 indigents' defense services pursuant to this section shall remain  
23 confidential; *and*

24 (16) *disclose taxpayer information in any administrative proceeding*  
25 *or any civil or criminal action or proceeding brought to enforce the tax or*  
26 *revenue laws of this state with respect to such taxpayer.*

27 (d) Any person receiving information under the provisions of  
28 subsection (c) shall be subject to the confidentiality provisions of  
29 subsection (b) and to the penalty provisions of subsection (e).

30 (e) Any violation of subsection (b) or (c) is a class A nonperson  
31 misdemeanor and, if the offender is an officer or employee of the state,  
32 such officer or employee shall be dismissed from office.

33 (f) For the purpose of determining whether a defendant is financially  
34 able to employ legal counsel under the provisions of K.S.A. 22-4504, and  
35 amendments thereto, in all felony cases with appointed counsel where the  
36 defendant's social security number is accessible from the records of the  
37 district court, the court shall electronically provide the defendant's name,  
38 social security number, district court case number and county to the  
39 secretary of revenue in the manner and format agreed to by the office of  
40 judicial administration and the secretary.

41 (g) Nothing in this section shall be construed to allow disclosure of  
42 the amount of income or any particulars set forth or disclosed in any  
43 report, return, federal return or federal return information, where such

1 disclosure is prohibited by the federal internal revenue code as in effect on  
2 September 1, 1996, and amendments thereto, related federal internal  
3 revenue rules or regulations, or other federal law.

4 Sec. 3. K.S.A. 2014 Supp. 79-3235 is hereby amended to read as  
5 follows: 79-3235. (a) If any tax imposed by this act or any portion of such  
6 tax is not paid within 60 days after it becomes due, the secretary or the  
7 secretary's designee shall issue a warrant under the secretary's or the  
8 secretary's designee's hand and official seal, directed to the sheriff of any  
9 county of the state, commanding the sheriff to levy upon and sell the real  
10 and personal property of the taxpayer found within the sheriff's county for  
11 the payment of the amount thereof, with the added penalties, interest and  
12 the cost of executing the warrant and to return the warrant to the secretary  
13 or the secretary's designee and pay to the secretary or the secretary's  
14 designee the money collected by virtue of it not more than 60 days from  
15 the date of the warrant. Firearms seized may be appraised and disposed of  
16 in the same manner prescribed in K.S.A. 79-5212, and amendments  
17 thereto. The sheriff, within five days after the receipt of the warrant, shall  
18 file with the clerk of the district court of the county a copy thereof, and  
19 thereupon the clerk shall either enter in the appearance docket the name of  
20 the taxpayer mentioned in the warrant, the amount of the tax or portion of  
21 it, interest and penalties for which the warrant is issued and the date such  
22 copy is filed and note the taxpayer's name in the general index. No fee  
23 shall be charged for either entry. The amount of such warrant so docketed  
24 shall thereupon become a lien upon the title to and interest in the real ~~and~~  
25 ~~personal~~ property of the taxpayer against whom it is issued. The sheriff  
26 shall proceed in the same manner and with the same effect as prescribed  
27 by law with respect to executions issued against property upon judgments  
28 of a court of record and shall be entitled to the same fees for services to be  
29 collected in the same manner.

30 ***(b) Once the warrant has been docketed with the clerk of the district***  
31 ***court, the secretary or the secretary's designee shall file with the office***  
32 ***of the secretary of state a notice of lien. The notice of lien shall be filed***  
33 ***in the uniform commercial code filing system with the secretary of state***  
34 ***in accordance with part 5 of article 9 of the uniform commercial code,***  
35 ***and amendments thereto, in an electronic format as prescribed by the***  
36 ***secretary of state. No fee shall be charged by the secretary of state for***  
37 ***the initial filing. The fee to terminate the filing shall be set in***  
38 ***accordance with the rules and regulations filing act. Once filed, the***  
39 ***notice of lien shall be deemed a lien upon the right and interest in***  
40 ***tangible personal property, wherever located in the state of Kansas, of***  
41 ***the taxpayer against whom the notice of lien was filed. This section shall***  
42 ***not apply to tangible personal property which is required to be registered***  
43 ***and for which a certificate of title has been issued by the state of Kansas.***

1        ~~(b)~~ (c) The court in which the warrant is docketed shall have  
2 jurisdiction over all subsequent proceedings as fully as though a judgment  
3 had been rendered in the court. In the discretion of the secretary or the  
4 secretary's designee a warrant of like terms, force and effect may be issued  
5 and directed to any officer or employee of the secretary, and in the  
6 execution thereof such officer or employee shall have all the powers  
7 conferred by law upon sheriffs, and the subsequent proceedings thereunder  
8 shall be the same as provided where the warrant is issued directly to the  
9 sheriff. The taxpayer shall have the right to redeem the real estate within a  
10 period of 18 months from the date of such sale. If a warrant is returned,  
11 unsatisfied in full, the secretary or the secretary's designee shall have the  
12 same remedies to enforce the claim for taxes as if the state of Kansas had  
13 recovered judgment against the taxpayer for the amount of the tax. No law  
14 exempting any goods and chattels, lands and tenements from forced sale  
15 under execution shall apply to a levy and sale under any such warrant or  
16 upon any execution issued upon any judgment rendered in any action for  
17 income taxes. Except as provided ~~further in subsection~~ ~~(c)~~ (d), the  
18 secretary or the secretary's designee shall have the right after a warrant has  
19 been returned unsatisfied or satisfied only in part, to issue alias warrants  
20 until the full amount of the tax is collected.

21        ~~(c)~~ (d) If execution is not issued within 10 years from the date of the  
22 docketing of any such warrant, or if 10 years shall have intervened  
23 between the date of the last execution issued on such warrant, and the time  
24 of issuing another writ of execution thereon, such warrant shall become  
25 dormant, and shall cease to operate as a lien on the real ~~estate and~~  
26 ~~personal property~~ *estate* of the delinquent taxpayer. Such dormant warrant  
27 may be revived in like manner as dormant judgment under the code of  
28 civil procedure. ***If the warrant is dormant, it shall cause the lien upon***  
29 ***personal property filed with the office of the secretary of state to be***  
30 ***dormant as well. In the event the warrant is revived, the lien upon***  
31 ***personal property filed with the office of the secretary of state shall be***  
32 ***revived as well.***

33        (e) ***The lien on tangible personal property provided in subsection***  
34 ***(b) shall cease to exist 10 years from the date of the filing of the notice of***  
35 ***lien with the office of the secretary of state, unless before such time the***  
36 ***secretary or the secretary's designee files with the office of the secretary***  
37 ***of state a notice of renewal of such lien. The notice of renewal shall***  
38 ***operate to extend the lien for 10 years from the date of the filing of the***  
39 ***notice. The lien may be extended through the filing of a notice of***  
40 ***renewal an unlimited number of times, as long as each notice of renewal***  
41 ***is filed within 10 years of the date the previous notice of renewal was***  
42 ***filed.***

43        Sec. 4. K.S.A. 2014 Supp. 79-3235a is hereby amended to read as

1 follows: 79-3235a. (a) Notwithstanding any provision of K.S.A. 79-3235,  
2 and amendments thereto, to the contrary, the procedures set forth by this  
3 section shall apply to the issuance of any warrant and the levy upon  
4 property pursuant to such provisions.

5 (b) The secretary or the secretary's designee shall notify in writing the  
6 person who is the subject of the warrant of the filing of a warrant under  
7 K.S.A. 79-3235, and amendments thereto. The notice required shall be  
8 given ~~in person, left at the dwelling or usual place of business of such~~  
9 ~~person or sent by certified or registered mail to such person's last known~~  
10 ~~dwelling address, not more than five business days after the day of the~~  
11 ~~filing of the notice of lien with the warrant.~~ The notice shall include in  
12 simple and nontechnical terms the amount of unpaid taxes, the  
13 administrative appeals available to the taxpayer with respect to such  
14 warrant and the procedures relating to such appeals, and the provisions of  
15 law and procedures relating to the release of warrants on property.

16 Sec. 5. K.S.A. 2014 Supp. 79-3607 is hereby amended to read as  
17 follows: 79-3607. (a) Retailers shall make returns to the director at the  
18 times prescribed by this section in the manner prescribed by the director,  
19 including electronic filing, upon forms or format prescribed by the director  
20 stating: (1) The name and address of the retailer; (2) the total amount of  
21 gross sales of all tangible personal property and taxable services rendered  
22 by the retailer during the period for which the return is made; (3) the total  
23 amount received during the period for which the return is made on charge  
24 and time sales of tangible personal property made and taxable services  
25 rendered prior to the period for which the return is made; (4) deductions  
26 allowed by law from such total amount of gross sales and from total  
27 amount received during the period for which the return is made on such  
28 charge and time sales; (5) receipts during the period for which the return is  
29 made from the total amount of sales of tangible personal property and  
30 taxable services rendered during such period in the course of such  
31 business, after deductions allowed by law have been made; (6) receipts  
32 during the period for which the return is made from charge and time sales  
33 of tangible personal property made and taxable services rendered prior to  
34 such period in the course of such business, after deductions allowed by law  
35 have been made; (7) gross receipts during the period for which the return  
36 is made from sales of tangible personal property and taxable services  
37 rendered in the course of such business upon the basis of which the tax is  
38 imposed. The return shall include such other pertinent information as the  
39 director may require. In making such return, the retailer shall determine  
40 the market value of any consideration, other than money, received in  
41 connection with the sale of any tangible personal property in the course of  
42 the business and shall include such value in the return. Such value shall be  
43 subject to review and revision by the director as hereinafter provided.

1 Refunds made by the retailer during the period for which the return is  
2 made on account of tangible personal property returned to the retailer shall  
3 be allowed as a deduction under ~~subdivision~~ *paragraph* (4) of this section  
4 in case the retailer has theretofore included the receipts from such sale in a  
5 return made by such retailer and paid taxes therein imposed by this act.  
6 The retailer shall, at the time of making such return, pay to the director the  
7 amount of tax herein imposed, except as otherwise provided in this  
8 section. The director may extend the time for making returns and paying  
9 the tax required by this act for any period not to exceed 60 days under such  
10 rules and regulations as the secretary of revenue may prescribe. When the  
11 total tax for which any retailer is liable under this act, does not exceed the  
12 sum of \$80 in any calendar year, the retailer shall file an annual return on  
13 or before January 25 of the following year. When the total tax liability  
14 does not exceed \$3,200 in any calendar year, the retailer shall file returns  
15 quarterly on or before the 25<sup>th</sup> day of the month following the end of each  
16 calendar quarter. When the total tax liability exceeds \$3,200 in any  
17 calendar year, the retailer shall file a return for each month on or before  
18 the 25<sup>th</sup> day of the following month. When the total tax liability exceeds  
19 \$32,000 in any calendar year, the retailer shall be required to pay the sales  
20 tax liability for the first 15 days of each month to the director on or before  
21 the 25<sup>th</sup> day of that month. Any such payment shall accompany the return  
22 filed for the preceding month. A retailer will be considered to have  
23 complied with the requirements to pay the first 15 days' liability for any  
24 month if, on or before the 25<sup>th</sup> day of that month, the retailer paid 90% of  
25 the liability for that fifteen-day period, or 50% of such retailer's liability in  
26 the immediate preceding calendar year for the same month as the month in  
27 which the fifteen-day period occurs computed at the rate applicable in the  
28 month in which the fifteen-day period occurs, and, in either case, paid any  
29 underpayment with the payment required on or before the 25<sup>th</sup> day of the  
30 following month. Such retailers shall pay their sales tax liabilities for the  
31 remainder of each such month at the time of filing the return for such  
32 month. Determinations of amounts of liability in a calendar year for  
33 purposes of determining filing requirements shall be made by the director  
34 upon the basis of amounts of liability by those retailers during the  
35 preceding calendar year or by estimates in cases of retailers having no  
36 previous sales tax histories. The director is hereby authorized to modify  
37 the filing schedule for any retailer when it is apparent that the original  
38 determination was inaccurate.

39 (b) All model 1, model 2 and model 3 sellers are required to file  
40 returns electronically. Any model 1, model 2 or model 3 seller may submit  
41 its sales and use tax returns in a simplified format approved by the  
42 director. Any seller that is registered under the agreement, which does not  
43 have a legal requirement to register in this state, and is not a model 1,

1 model 2 or model 3 seller, may submit its sales and use tax returns as  
2 follows: (1) Upon registration, the director shall provide to the seller the  
3 returns required;

4 (2) seller shall file a return anytime within one year of the month of  
5 initial registration, and future returns are required on an annual basis in  
6 succeeding years; and

7 (3) in addition to the returns required in subsection (b)(2), sellers are  
8 required to submit returns in the month following any month in which they  
9 have accumulated state and local sales tax funds for this state in the  
10 amount of \$1,600 or more.

11 *(c) Whenever the director has cause to believe that the tax levied by*  
12 *the Kansas retailers sales tax act may be converted, diverted, lost or*  
13 *otherwise not timely paid in accordance with this section, the director*  
14 *shall have the power to require returns and payment at anytime, at more*  
15 *frequent intervals than prescribed by this section in order to secure full*  
16 *payment to the state of all amounts due in accordance with the Kansas*  
17 *retailers sales tax act.*

18 Sec. 6. K.S.A. 2014 Supp. 79-3617 is hereby amended to read as  
19 follows: 79-3617. (a) Whenever any taxpayer liable to pay any sales or  
20 compensating tax, refuses or neglects to pay the tax, the amount, including  
21 any interest or penalty, shall be collected in the following manner. The  
22 secretary of revenue or the secretary's designee shall issue a warrant under  
23 the hand of the secretary or the secretary's designee and official seal  
24 directed to the sheriff of any county of the state commanding the sheriff to  
25 levy upon and sell the real and personal property of the taxpayer found  
26 within the sheriff's county to satisfy the tax, including penalty and interest,  
27 and the cost of executing the warrant and to return such warrant to the  
28 secretary or the secretary's designee and pay to the secretary or the  
29 secretary's designee the money collected by virtue thereof not more than  
30 90 days from the date of the warrant. Firearms seized may be appraised  
31 and disposed of in the same manner prescribed in K.S.A. 79-5212, and  
32 amendments thereto. The sheriff ~~shall~~, within five days; after the receipt of  
33 the warrant, *shall* file with the clerk of the district court of the county a  
34 copy thereof, and thereupon the clerk shall either enter in the appearance  
35 docket the name of the taxpayer mentioned in the warrant, the amount of  
36 the tax or portion of it, interest and penalties for which the warrant is  
37 issued and the date such copy is filed and note the taxpayer's name in the  
38 general index. No fee shall be charged for either such entry. The amount of  
39 such warrant so docketed shall thereupon become a lien upon the title to,  
40 and interest in, the real ~~and personal~~ property of the taxpayer against  
41 whom it is issued. The sheriff shall proceed in the same manner and with  
42 the same effect as prescribed by law with respect to executions issued  
43 against property upon judgments of a court of record, and shall be entitled

1 to the same fees for services.

2 *(b) Once the warrant has been docketed with the clerk of the district*  
3 *court, the secretary or the secretary's designee shall file with the office*  
4 *of the secretary of state a notice of lien. The notice of lien shall be filed*  
5 *in the uniform commercial code filing system with the secretary of state*  
6 *in accordance with part 5 of article 9 of the uniform commercial code,*  
7 *and amendments thereto, in an electronic format as prescribed by the*  
8 *secretary of state. No fee shall be charged by the secretary of state for*  
9 *the initial filing. The fee to terminate the filing shall be set in*  
10 *accordance with the rules and regulations filing act. The department*  
11 *shall release any lien upon the property of a taxpayer upon payment of*  
12 *all tax, penalty and interest within 30 days of payment. Liens filed in*  
13 *error shall be so noted on the satisfaction of judgment. The department*  
14 *shall be liable for any court costs associated with the release of such*  
15 *erroneous liens. Once filed, the notice of lien shall be deemed a lien*  
16 *upon the right and interest in tangible personal property, wherever*  
17 *located in the state of Kansas, of the taxpayer against whom the notice*  
18 *of lien was filed. This section shall not apply to tangible personal*  
19 *property which is required to be registered and for which a certificate of*  
20 *title has been issued by the state of Kansas.*

21 ~~(b)~~ (c) The court in which the warrant is docketed shall have  
22 jurisdiction over all subsequent proceedings as fully as though a judgment  
23 had been rendered in the court. A warrant of similar terms, force and effect  
24 may be issued by the secretary or the secretary's designee and directed to  
25 any officer or employee of the secretary or the secretary's designee, and in  
26 the execution thereof such officer or employee shall have all the powers  
27 conferred by law upon sheriffs with respect to executions issued against  
28 property upon judgments of a court of record and the subsequent  
29 proceedings thereunder shall be the same as provided where the warrant is  
30 issued directly to the sheriff. The taxpayer shall have the right to redeem  
31 the real estate within a period of 18 months from the date of such sale. If a  
32 warrant is returned, unsatisfied in full, the secretary or the secretary's  
33 designee shall have the same remedies to enforce the claim for taxes as if  
34 the state of Kansas had recovered judgment against the taxpayer for the  
35 amount of the tax. No law exempting any goods and chattels, land and  
36 tenements from forced sale under execution shall apply to a levy and sale  
37 under any of the warrants or upon any execution issued upon any  
38 judgment rendered in any action for sales or compensating taxes. Except  
39 as provided ~~further in subsection (e)~~ (d), the secretary or the secretary's  
40 designee shall have the right after a warrant has been returned unsatisfied,  
41 or satisfied only in part, to issue alias warrants until the full amount of the  
42 tax is collected. No costs incurred by the sheriff or the clerk of the court  
43 shall be charged to the secretary or the secretary's designee.

1        ~~(e)~~ **(d)** If execution is not issued within 10 years from the date of the  
2 docketing of any such warrant, or if 10 years shall have intervened  
3 between the date of the last execution issued on such warrant, and the time  
4 of issuing another writ of execution thereon, such warrant shall become  
5 dormant, and shall cease to operate as a lien on the real-estate ~~and~~  
6 ~~personal property~~ **estate** of the delinquent taxpayer. Such dormant warrant  
7 may be revived in like manner as dormant judgments under the code of  
8 civil procedure. ***If the warrant is dormant, it shall cause the lien upon***  
9 ***personal property filed with the office of the secretary of state to be***  
10 ***dormant as well. In the event the warrant is revived, the lien upon***  
11 ***personal property filed with the office of the secretary of state shall be***  
12 ***revived as well.***

13        **(e)** ***The lien on tangible personal property provided in subsection***  
14 ***(b) shall cease to exist 10 years from the date of the filing of the notice of***  
15 ***lien with the office of the secretary of state, unless before such time the***  
16 ***secretary or the secretary's designee files with the office of the secretary***  
17 ***of state a notice of renewal of such lien. The notice of renewal shall***  
18 ***operate to extend the lien for 10 years from the date of the filing of the***  
19 ***notice. The lien may be extended through the filing of a notice of***  
20 ***renewal an unlimited number of times, as long as each notice of renewal***  
21 ***is filed within 10 years of the date the previous notice of renewal was***  
22 ***filed.***

23        Sec. 7. K.S.A. 2014 Supp. 79-3643 is hereby amended to read as  
24 follows: 79-3643. (a) Any ~~individual~~ *person* who is responsible for  
25 collection or payment of sales or compensating tax or control, receipt,  
26 custody or disposal of funds due and owing under the Kansas retailers'  
27 sales and compensating tax acts who willfully fails to collect such tax, or  
28 account for and pay over such tax, or attempts in any manner to evade or  
29 defeat such tax or the payment thereof shall be ~~personally~~ liable for the  
30 total amount of the tax evaded, or not collected, or not accounted for and  
31 paid over, together with any interest and penalty imposed thereon. The  
32 provisions of this section shall apply regardless of the: (1) Relationship  
33 with the retailer held by such ~~individual~~ *person*; (2) form under which the  
34 retailer conducts business, whether a sole proprietorship, partnership or  
35 corporation; or (3) dissolution of the business. As used in this section,  
36 "willfully" has the same meaning as such term has for federal tax purposes  
37 in 26 U.S.C. § 6672.

38        (b) A notice of assessment issued to a responsible ~~individual~~ *person*  
39 shall be considered to be a proceeding for the collection of the tax liability  
40 of the business. If the liability of the business is determined in a  
41 proceeding that has become final, any notice of assessment against a  
42 responsible ~~individual~~ *person* must be issued within three years after the  
43 proceeding against the business has become final.

1 (c) Within 60 days after the mailing of a notice of assessment against  
2 a responsible ~~individual~~ *person*, the person assessed may request an  
3 informal conference with the secretary of revenue under K.S.A. 79-3226,  
4 and amendments thereto, for a determination of whether such person is a  
5 responsible ~~individual~~ *person* under subsection (a) and for a determination  
6 of the tax liability of the business.

7 (d) If notice of assessment and warrant are issued to a responsible  
8 ~~individual~~ *person* pursuant to K.S.A. 79-3610, and amendments thereto, or  
9 any other jeopardy provision of chapter 79 of the Kansas Statutes  
10 Annotated, the person assessed may request that the informal conference  
11 held pursuant to subsection (c) be expedited. When such a request is  
12 made, the secretary shall schedule the conference to be held within 21 days  
13 after receipt of the request and shall issue a written final determination  
14 within 21 days after the close of the conference.

15 (e) The provisions of this section shall be deemed to be supplemental  
16 to the Kansas retailers' sales and compensating tax acts.

17 Sec. 8. K.S.A. 2014 Supp. 79-41a03 is hereby amended to read as  
18 follows: 79-41a03. (a) The tax levied and collected pursuant to K.S.A. 79-  
19 41a02, and amendments thereto, shall become due and payable by the  
20 club, caterer, drinking establishment, public venue or temporary permit  
21 holder monthly, or on or before the 25<sup>th</sup> day of the month immediately  
22 succeeding the month in which it is collected, but any club, caterer,  
23 drinking establishment, public venue or temporary permit holder filing an  
24 annual or quarterly return under the Kansas retailers' sales tax act, as  
25 prescribed in K.S.A. 79-3607, and amendments thereto, shall, upon such  
26 conditions as the secretary of revenue may prescribe, pay the tax required  
27 by this act on the same basis and at the same time the club, caterer,  
28 drinking establishment, public venue or temporary permit holder pays such  
29 retailers' sales tax. Each club, caterer, drinking establishment, public venue  
30 or temporary permit holder shall make a true report to the department of  
31 revenue, on a form prescribed by the secretary of revenue, providing such  
32 information as may be necessary to determine the amounts to which any  
33 such tax shall apply for all gross receipts derived from the sale of alcoholic  
34 liquor by the club, caterer, drinking establishment, public venue or  
35 temporary permit holder for the applicable month or months, which report  
36 shall be accompanied by the tax disclosed thereby. Records of gross  
37 receipts derived from the sale of alcoholic liquor shall be kept separate and  
38 apart from the records of other retail sales made by a club, caterer,  
39 drinking establishment, public venue or temporary permit holder in order  
40 to facilitate the examination of books and records as provided herein.

41 (b) The secretary of revenue or the secretary's authorized  
42 representative shall have the right at all reasonable times during business  
43 hours to make such examination and inspection of the books and records

1 of a club, caterer, drinking establishment, public venue or temporary  
2 permit holder as may be necessary to determine the accuracy of such  
3 reports required hereunder.

4 (c) The secretary of revenue is hereby authorized to administer and  
5 collect the tax imposed hereunder and to adopt such rules and regulations  
6 as may be necessary for the efficient and effective administration and  
7 enforcement of the collection thereof. Whenever any club, caterer,  
8 drinking establishment, public venue or temporary permit holder liable to  
9 pay the tax imposed hereunder refuses or neglects to pay the same, the  
10 amount, including any penalty, shall be collected in the manner prescribed  
11 for the collection of the retailers' sales tax by K.S.A. 79-3617, and  
12 amendments thereto.

13 (d) The secretary of revenue shall remit all revenue collected under  
14 the provisions of this act to the state treasurer in accordance with the  
15 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of  
16 each such remittance, the state treasurer shall deposit the entire amount in  
17 the state treasury. Subject to the maintenance requirements of the local  
18 alcoholic liquor refund fund created under K.S.A. 79-41a09, and  
19 amendments thereto, 25% of the remittance shall be credited to the state  
20 general fund, 5% shall be credited to the community alcoholism and  
21 intoxication programs fund created by K.S.A. 41-1126, and amendments  
22 thereto, and the balance shall be credited to the local alcoholic liquor fund  
23 created by K.S.A. 79-41a04, and amendments thereto.

24 (e) Whenever, in the judgment of the secretary of revenue, it is  
25 necessary, in order to secure the collection of any tax, penalties or interest  
26 due, or to become due, under the provisions of this act, the secretary may  
27 require any person subject to such tax to file a bond with the director of  
28 taxation under conditions established by and in such form and amount as  
29 prescribed by rules and regulations adopted by the secretary.

30 (f) The amount of tax imposed by this act shall be assessed within  
31 three years after the return is filed, and no proceedings in court for the  
32 collection of such taxes shall be begun after the expiration of such period  
33 except in the cases of fraud. In the case of a false or fraudulent return with  
34 intent to evade tax, the tax may be assessed or a proceeding in court for  
35 collection of such tax may be begun at any time, within two years from the  
36 discovery of such fraud. No refund or credit shall be allowed by the  
37 director after three years from the date of payment of the tax as provided  
38 in this act unless before the expiration of such period a claim therefor is  
39 filed by the taxpayer, and no suit or action to recover on any claim for  
40 refund shall be commenced until after the expiration of six months from  
41 the date of filing a claim therefor with the director. Before the expiration  
42 of time prescribed in this section for the assessment of additional tax or the  
43 filing of a claim for refund, the director is hereby authorized to enter into

1 an agreement in writing with the taxpayer consenting to the extension of  
2 the periods of limitations for the assessment of tax or for the filing of a  
3 claim for refund, at any time prior to the expiration of the periods of  
4 limitations. The period so agreed upon may be extended by subsequent  
5 agreements in writing made before the expiration of the period previously  
6 agreed upon.

7 *(g) Whenever the secretary of revenue has cause to believe that the*  
8 *tax levied pursuant to K.S.A. 79-41a02, and amendments thereto, may be*  
9 *converted, diverted, lost or otherwise not timely paid in accordance with*  
10 *this section, the secretary shall have the power to require returns and*  
11 *payment at any time, at more frequent intervals than prescribed by this*  
12 *section in order to secure full payment to the state of all amounts due in*  
13 *accordance with K.S.A. 79-41a01 et seq., and amendments thereto.*

14 Sec. 9. K.S.A. 2014 Supp. 75-5133, 79-3234, 79-3235, 79-3235a, 79-  
15 3235b, 79-3607, 79-3617, 79-3643 and 79-41a03 are hereby repealed.

16 Sec. 10. This act shall take effect and be in force from and after its  
17 publication in the statute book.