

SESSION OF 2015

SUPPLEMENTAL NOTE ON SENATE BILL NO. 31

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 31, as amended, would implement a number of administrative changes involving the tax collection and enforcement process relating to confidentiality, tax warrants, and tax liens. Other provisions of the bill would clarify the definition of a responsible party relative to sales and use tax collections; and authorize the Secretary of Revenue to accelerate sales and liquor enforcement tax collections under certain circumstances when receipts would otherwise be jeopardized.

Relative to confidentiality, the bill would clarify that taxpayer information could be disclosed in certain civil and criminal actions or proceedings brought to enforce tax or revenue laws.

Another section of the bill would amend KSA 2014 Supp. 79-3235a to remove a requirement that tax warrant notices be served within five days after the filing of tax liens.

New language in the bill would authorize the creation of state tax liens on certain personal property for delinquent tax debt and would provide for the Department of Revenue to file notice of such liens with the Secretary of State. Personal property tax liens would become dormant upon the dormancy of the associated tax warrants (generally after ten years without execution). Liens would not be imposed on tangible personal property required to be registered and titled (generally, most motor vehicles and manufactured homes).

*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>

One provision would change “individual” to “person” in KSA 2014 Supp. 79-3643 relative to clarifying the definition of the responsible party for sales and use tax collections, so as to more closely conform with other language under the sales tax law specified in KSA 2014 Supp. 79-3602.

Finally, the Secretary of Revenue would be authorized to accelerate filing frequency for sales and liquor enforcement tax collections when there is cause to believe that taxes could otherwise be converted, diverted, lost, or otherwise not paid timely by certain businesses if the businesses were to remain on their normal filing schedules.

Background

The bill was introduced at the request of and supported by the Department of Revenue at the Senate Committee on Assessment and Taxation hearing on the bill.

The Senate Committee amendments relating to the filing of personal property tax liens arose from discussions with representatives of the Kansas Bankers Association, the Kansas Manufactured Housing Association, and the Department of Revenue.

The fiscal note indicated about \$2.0 million in State General Fund receipts could be imperiled if the clarifying language regarding the determination of responsible parties for sales tax collection and remittance were to not be adopted.