

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Chairman Edmonds at 8:30 a.m. on February 13, 2002 in Room 519-S of the Capitol.

All members were present except:                    Representative Findley, excused  
   Representative Flora, excused  
   Representative Kirk, excused  
   Representative Wilson, excused

Committee staff present:                                Chris Courtwright, Legislative Research Department  
   April Holman, Legislative Research Department  
   Don Hayward, Revisor  
   Winnie Crapson, Secretary

Conferrees appearing before Committee:  
    Secretary Stephen Richards, Department of Revenue  
    T. C. Anderson, Executive Director, Kansas Society of Certified Public Accountants  
    Curt Sittenauer, Chair, Kansas Society of Certified Public Accountants Tax Cabinet  
    Randy Carlson, President, Public Accountants Association of Kansas  
    Rick Ball, CPA, Great Bend  
    Mike Swisher, CPA, Lenexa  
    Scott McBeth, Attorney, Wichita

Written Testimony Presented:  
    Kathy Mitchell, Vice Pres Kansas Society of Certified Public Accountants

Others Attending:                                        See attached list.

By unanimous consent bill will be introduced presented by Representative Huff at the request of the Kansas Highway Patrol, Department of Transportation and Kansas State Child Safety Passenger Assistance.  
[**HB 2886** - Child passenger safety act]

**Hearing opened on**  
**HB 2706 - Taxpayer Fairness Act of 2002.**

Testimony on behalf of the Kansas Society of Certified Public Accountants was presented by T. C. Anderson, Executive Director (Attachment #1). Mr. Anderson outlined the purpose and content of amendments sought K.S.A. 79-3225, 79-3226 and 79-3607 and repeal of existing sections of K.S.A. 2001 Supp. 60-2310.

Mr. Anderson suggested further changes:

    In New Section 1 (a) adding “If the correspondence relates to a return filed by the taxpayer, the changes, if any, proposed to taxpayer’s filing shall be specifically identified.”

    In New Section 1 (b) adding “and the name and contact telephone number of the employee performing such review shall appear on such correspondence.”

    Deletion of “only” in line 28, New Section 2.

Mr. Anderson referred specifically to problems of collection letters that have been unclear as to why they were generated; letters later determined to have been sent in error, and failure to send zero balance letters to the taxpayer. He supplied examples which had been discussed at meetings of Society members.

Curt Sittenauer, Chair of the Tax Cabinet of the Kansas Society of Certified Public Accountants, testified in support of **HB 2706** (Attachment #2). He presented two examples of letters that had been sent in error.

## CONTINUATION SHEET

Randall Carlson, President of the Public Accountants Association of Kansas, testified in support of **HB 2706** (Attachment #3). Mr. Carlson said he believes these are serious problems that need to be addressed and that no progress has been made through routine liaison meetings with the Department of Revenue. He presented an example of a client who had been served with tax warrants six months after an individual at KDOR told him on the phone the matter had been abated. No letter of resolution was received in response to his request for one. Mr. Carlson described the process the Association followed in a Survey Regarding Client Correspondence from the Kansas Department of Revenue and provided a copy of the questionnaire used and documentation of responses received.

Richard Ball, Certified Public Accountant, testified in support of **HB 2706** (Attachment #4). He suggested that any time there is a mass distribution of notices to a particular industrial class of taxpayers there should be some type of oversight approval before release of notices. He believes that at worst the bill is revenue neutral and is probably a revenue enhancement for KDOR.

Michael Swisher, Certified Public Accountant, testified in support of **HB 2706** (Attachment #5). Mr. Swisher presented samples of correspondence he had with the Department of Revenue illustrating the problems which exist.

Scott McBeth, Attorney, Wichita, testified in support (Attachment #6) and identified problems encountered with the Department of Revenue in his firm's practice to which solution is sought with **HB 2706**: Notices of Tax Due, Notice and Opportunity to be Heard with respect to Warrants and Levies, and Exemption Amounts for Levees.

Written testimony in support of **HB 2706** was submitted by Kathy Mitchell, Vice President of the Society of Certified Public Accountants (Attachment #7).

Representative Edmonds called attention to the Fiscal Note.

Testimony in opposition to **HB 2706** was presented by Stephen Richards, Secretary of the Department of Revenue (Attachment #8).

The Committee was running over time and questions to Mr. Richards were deferred to a later meeting.

Hearing on HB 2706 was continued. [Continued hearing was held .]

Meeting adjourned at 10:32 a.m.

Next meeting is scheduled for February 14. [**Meeting on February 14 was cancelled.**]