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February 2, 2017

Senate Taxation Committee

Testimony in Support of Senate Bill 34

Presented by Chase Blasi

Chairman Caryn Tyson and Members of the Committee:

The Department of Revenue respectfully submits the following in support of Senate Bill 34:

The proposal seeks to amend a setoff statute that if passed would allow Kansas state agencies and municipalities the ability to enter into reciprocal agreements with any state, district or territory of the United States or any agency thereof.

Section 1 amends the definition of "Foreign state or foreign state agency", in 75-6202(j) by removing the current language that limits foreign states to Colorado, Missouri, Nebraska and Oklahoma.

Through the reciprocal agreement with Missouri, the Department has collected \$3,508,461.04 since its inception in 2010. Being able to expand the program to all states will result in more unpaid taxes being collected via a very efficient automated setoff process.

With the passage of this bill, we will begin contacting the states with the greatest potential for recovery. We estimate it will take 6 months to get the agreement and setoff process up and running for each state added.

The Department respectfully requests passage of Senate Bill 34.

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