

KANSAS OFFICE of
REVISOR of STATUTES

LEGISLATURE of THE STATE of KANSAS

Legislative Attorneys transforming ideas into legislation.

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MEMORANDUM

To: Chairman Olson and Members of the Committee on Utilities
From: Matt Sterling, Assistant Revisor of Statutes
Date: February 14, 2018
RE: Senate Bill 396

SB 396 would require that a common carrier or public utility over which the Kansas Corporation Commission has control could include in its rates an amount for federal or state corporate income taxes that exceeds the then-applicable federal and state income tax rate for corporations.

If a common carrier or public utility, through its rates, collects an amount for federal or state income taxes in excess of the amount of income taxes that were expected to be owed based on income tax rates applicable at the time such rates were approved by the commission, then the common carrier or public utility would be required to refund the difference with 5% interest to their customers within 150 days of the tax change. These refunds would be dispersed to customers through a separate line item on a bill or through direct mail or electronically deposited payment to such customers outside of a monthly bill for service.