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Mark Burghart, Acting Secretary

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House Committee on Taxation

Testimony in Support of HB 2380

by Michael Hale, For the Kansas Department of Revenue

The proposed amendments are needed for a more streamlined, efficient process that enables the Department to collect taxes owed to the state.

Section one of the bill reduces the time when the Department may refer a delinquent debt to be collected from six months to 90 days. This helps prevent the debt from becoming too stale and allows for the collection of debt before the taxpayer finds themselves with no ability to pay their taxes.

Section two provides that written notice from the Department to the taxpayer about a tax warrant that may be filed is to be served with the tax warrant, and not separately. This prevents the local sheriff from having to make two trips to the taxpayer, and insures that the taxpayer actually receives the notice.

Section three provides that in instances where there is significant concern that sales taxes may be converted, diverted, lost or otherwise in jeopardy of not being paid when due, the Department can accelerate payment of the sales tax at a more frequent rate than the taxpayer normally files and pays.

Section four are technical clean-ups, mostly changing the word "individual" to "person" to be consistent with the defined term throughout the Act.

Section five provides that in instances where there is significant concern that liquor drink taxes may be converted, diverted, lost or otherwise in jeopardy of not being paid when due, the Department can accelerate payment of the liquor drink tax at a more frequent rate than the taxpayer normally files and pays.

The Department is seeking a short balloon amendment to include a provision that would apply the provisions of K.S.A. 79-3607, as amended by this bill, to the liquor enforcement act. Most of the collection and enforcement provisions in the sales tax act already apply to the liquor enforcement tax act, this balloon amendment would include this particular statute. This section was inadvertently omitted from the bill.

Section 6. 79-4105. Enforcement, collection and administration; sections applicable; "director" defined. The provisions of K.S.A. 75-5133, 79-3605, 79-3607, 79-3609, 79-3610, 79-3611, 79-3612, 79-3613, 79-3615, 79-3617 and 79-3619, and amendments thereto, relating to enforcement, collection and administration, insofar as practicable, shall have full force and effect with respect to taxes imposed under the provisions of K.S.A. 79-4101 to 79-4104, inclusive, and amendments thereto. Wherever the word "director" is used in such statutes it shall be construed to mean, for the purposes of this act, the director of taxation. The provisions of K.S.A. 74-2422, 74-2425, 74-2426 and 74-2427, and amendments thereto, relating to the approval of rules and regulations, and the adoption of uniform rules and regulations for such hearings and for appeals from orders of the director of taxation and prescribing the duties of county attorneys with respect to such appeals, insofar as practicable, shall have full force and effect with respect to taxes imposed by, and proceedings under, the provisions of K.S.A. 79-4101 to 79-4108, inclusive, and amendments thereto.

Sec. 6 7 K.S.A. 75-5140 and K.S.A. 2018 Supp. 79-3235a, 79-3607, 79-3643, 79-4105, and 79-41a03 are hereby repealed.

Sec. 7 8 This act shall take effect and be in force from and after its publication in the statute book.