

March 6, 2020

The Honorable Caryn Tyson, Chairperson  
Senate Committee on Assessment and Taxation  
Statehouse, Room 123-E  
Topeka, Kansas 66612

Dear Senator Tyson:

**SUBJECT:** Fiscal Note for SB 462 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 462 is respectfully submitted to your committee.

SB 462 would establish the Kansas Business Financial Protection Act. The bill would prohibit the Department of Revenue from making available or furnishing to taxing officials in other states information contained in tax reports, renditions, or returns, or any audit or investigation report concerning the Kansas Retailers' Sales Tax Act or the Kansas Compensating Tax Act.

The Department of Revenue indicates SB 462 has the potential to reduce state and local tax collections beginning in FY 2021; however, a specific estimate of lower tax revenues affecting distribution to the State General Fund, State Highway Fund, and local governments were not calculated by the Department. The Department indicates that the bill could limit its ability to participate in the U.S. Treasury Offset Programs and the reciprocity collection agreement entered into with Missouri. Additionally, the bill would eliminate the ability for the Department to participate in joint audits with other states. This could allow taxpayers to avoid detection and enable taxes to go unpaid. According to the Department, there would be no administrative costs to implement the bill. Any fiscal effect associated with SB 462 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell  
Director of the Budget

cc: Lynn Robinson, Department of Revenue