

SESSION OF 2017

**CONFERENCE COMMITTEE REPORT BRIEF  
HOUSE BILL NO. 2212**

As Agreed to June 7, 2017

**Brief\***

HB 2212 would make changes in sales, income, and property tax provisions.

***Sales Tax Provisions***

In the Kansas Retailers' Sales Tax Act, the bill would replace a reference to the North Central Association of Colleges and Schools with a reference to its relevant successor organization, the Higher Learning Commission.

The bill would increase, as of January 1, 2018, the threshold filing amounts for retailers to submit sales taxes to the Department of Revenue (Department). The bill would increase the threshold amounts from \$80 to \$400 for annual filing, from \$3,200 to \$4,000 for quarterly filings, and from \$32,000 to \$40,000 for monthly filings. Amounts greater than \$40,000 would be filed on a prepaid monthly basis.

The bill would authorize Marion County to impose, subject to the approval of voters, an additional local sales tax of 0.5 percent earmarked for property tax relief, economic development initiatives, and certain public infrastructure projects. Any such tax imposed would be granted an exception from the normal countywide sales tax distribution

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\*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kldr>

formula that requires receipts to be shared with cities in the respective county.

### ***Property Tax Provisions***

The bill would authorize a property tax exemption for not more than ten calendar years for certain land, buildings, and personal property owned by a redevelopment authority and located within a former federal enclave when such property is leased to a business and used exclusively for manufacturing, research and development, or warehousing purposes. Qualified redevelopment authorities would be authorized to file requests for exemption only with the approval of a board of county commissioners.

The bill would also expand a list of certain types of tax-exempt property whose owners are not required to seek approval from the State Board of Tax Appeals to include property acquired by a land bank, recreational vehicles owned by full-time members of the military, and most property belonging to the federal government (other than any such federal property otherwise expressly declared by Congress to be subject to state and local taxation).

Additionally, the bill would stipulate a property tax exemption for certain qualifying pipelines would not be applicable unless owners have filed an exemption request within two years of the date construction has commenced. This restriction would apply to all requests for exemptions filed after June 30, 2017.

### ***Income Tax Provision***

The bill would change the due date for filing certain annual withholding tax forms from the last day of February to January 31.

## **Conference Committee Action**

The Conference Committee agreed to remove the bill's original language, which related to a sunset extension for the Post-Secondary Technical Educational Authority, and insert the aforementioned tax provisions. The sunset extension provisions are included in the Conference Committee report on HB 2213.

## **Background**

The Conference Committee agreement generally includes provisions from the House Committee on Taxation's version of SB 30, the House Committee on Taxation's version of HB 2162, the Senate Committee of the Whole's version of Sub. for HB 2230, and the House Committee on Taxation's version of HB 2380. Further background information is available in supplemental notes on those bills.

The latest fiscal information provided by the Department indicated the only provision of the bill with an identifiable fiscal impact – the deceleration of certain sales tax remittances – would reduce sales tax receipts in FY 2018 by \$3.2 million. Of this amount, \$2.683 million would be attributable to a reduction in State General Fund receipts and \$0.517 million would be attributable to a reduction in State Highway Fund receipts.

tax; sales tax remittances; property tax exemptions

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