

SESSION OF 2019

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2380

As Amended by House Committee on Taxation

Brief*

HB 2380, as amended, would make a number of changes relating to procedures undertaken by the Kansas Department of Revenue (KDOR) when seeking collection of delinquent taxes.

The bill would reduce from 6 months to 90 days the amount of time KDOR is required to wait before contracting with debt collection agencies to pursue delinquent taxes.

The bill also would clarify that written notices to taxpayers about the filing of tax warrants are to be served at the same time as the warrant (as opposed to separately as under current law).

Finally, the bill would authorize KDOR to accelerate and provide more frequent payment schedules for liquor drink and liquor enforcement tax collections when there is reason to believe such remittances might otherwise be converted, diverted, lost, or otherwise not timely paid.

Background

The bill was introduced by the House Committee on Taxation at the request of a representative of KDOR.

At the House Committee hearing on March 12, 2019, the representative of KDOR provided proponent testimony, stating the bill would streamline certain collection procedures

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

and prevent local sheriffs from having to make two separate trips regarding the notification of certain delinquent taxpayers. No other testimony was provided.

The House Committee adopted a technical amendment requested by the KDOR representative to clarify the language authorizing more frequent payment schedules under certain circumstances also would apply to liquor enforcement taxes.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KDOR indicates enactment of the bill is expected to increase state tax receipts by about \$8.0 million annually, with most of that amount attributable to an increase in State General Fund receipts. KDOR also indicates enactment of the bill would require \$9,200 from the State General Fund to modify the automated tax system. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2020 Governor's Budget Report*.