

January 25, 2013

The Honorable Richard Carlson, Chairperson
House Committee on Taxation
Statehouse, Room 285-N
Topeka, Kansas 66612

Dear Representative Carlson:

SUBJECT: Fiscal Note for HB 2042 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2042 is respectfully submitted to your committee.

HB 2042 would require a taxpayer who is appealing the county or district appraiser's valuation of leased commercial and industrial property, to first provide a complete income and expense statement for the property for three years prior to the time of appeal at the informal meeting with the county or district appraiser. If the taxpayer fails to provide the statement to the county appraiser then the county appraiser's valuation would be considered valid and correct and could only be rebutted by a preponderance of the evidence.

In the event of an understatement of value or taxes resulting from a clerical error, HB 2042 provides that the board of county commissioners or the State Court of Tax Appeals would be authorized to correct the error and order an additional assessment or tax bill. The bill would also allow property valuation notices to be sent by electronic mail when an email address has been provided by the taxpayer or included on any personal property tax return. Finally, the bill would authorize the county appraiser to value improvements on real property that have escaped taxation.

The Department of Revenue indicates that HB 2042 would have no fiscal effect on state revenues or expenditures, but the provision allowing valuation notices to be transmitted via email could save counties money. A request to provide fiscal effect information has been sent to the Kansas Association of Counties. If the Association offers specific fiscal effect information, a revised fiscal note will be provided.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget