

SESSION OF 2023

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2058

As Recommended by House Committee on
Federal and State Affairs

Brief*

HB 2058 would amend provisions of the Kansas Liquor Control Act to require remittance of gallonage taxes by holders of a special order shipping license to be submitted to the Secretary of Revenue monthly rather than quarterly as required in current law.

The bill would also make technical changes to existing law to ensure consistency in statutory phrasing.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by the House Committee on Federal and State Affairs at the request of a representative from the Wine & Spirits Wholesalers Association.

House Committee on Federal and State Affairs

In the House Committee hearing on the bill, **proponent** testimony was provided by representatives from the Wine & Spirits Wholesalers Association and the Kansas Department of Revenue, Division of Alcoholic Beverage Control (ABC). The proponents indicated that the bill would allow the ABC to match reports to identify unlawful shipments of alcoholic

*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>

liquor. They indicated currently, common carriers and fulfillment houses report monthly, while special order shippers report monthly, which results in a delay in matching shipment orders, thereby resulting in a delay in determining which shipments may be from unlicensed entities.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue indicates the enactment of this bill would have no fiscal effect on the amount of liquor gallonage tax collections. The Department indicates the bill would require \$5,000 from the State General Fund in FY 2024 for additional technology expenditures, but if the combined effect of implementation of the bill and other enacted legislation exceeds the Department's programming, or if the time for implementation of changes is too short, expenditures for outside contract programmer services beyond the Department's current budget may be required. Additionally, any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

Alcohol; remittance; gallonage; tax; special order shipper