

HOUSE RESOLUTION No. 6020

By Representatives Schwab, Beamer, Brunk, Burgess, Carlson, Carter, Dahl, Faber, Flower, George, Goico, Gordon, Grange, Hayzlett, M. Holmes, Hutchins, Huy, E. Johnson, Kelley, Kelsey, Kiegerl, Kilpatrick, Kinzer, Knox, Landwehr, Mast, Mays, McCreary, McLeland, Merrick, F. Miller, Jim Morrison, Myers, Neufeld, Novascone, Oharah, Olson, Otto, Pilcher-Cook, Powell, Schwartz, Siegfried and Watkins

2-21

15 A RESOLUTION advising the Compliance Review Committee for the
16 Streamlined Sales and Use Tax (SST) Agreement that the state of
17 Kansas is not substantially compliant with the SST Agreement.
18

19 WHEREAS, On July 1, 2005, Kansas and all other states that have
20 filed petitions and certificates by May 1, 2005, will meet to vote on
21 whether the petitioning states are in compliance based on recommen-
22 dations of the Compliance Review Committee for the SST Agreement;
23 and

24 WHEREAS, The State of Kansas has over 25,000 businesses affected
25 by changes in Kansas law necessitated by SST Compliance requirements
26 and according to the Kansas Department of Revenue as much as 50% of
27 these businesses are not collecting, reporting and remitting sales tax re-
28 cepts in compliance with Kansas law; and

29 WHEREAS, Due to the documented difficulties of compliance, in a
30 state with over 750 sales tax jurisdictions, with Kansas sales tax law related
31 to destination-based sourcing, the Kansas Legislature and the Kansas De-
32 partment of Revenue have chosen to disregard and to not enforce such
33 law during a considerable amount of time since the original effective date
34 of July 1, 2003; and

35 WHEREAS, Although many large retailers have complied with des-
36 tination-based sourcing provisions, small retailers have been left free to
37 ignore such provisions and most likely a majority of such retailers are
38 currently noncompliant; and

39 WHEREAS, Kansas retailers' sales tax law has been judicially deter-
40 mined to be nonuniform which has allowed any city in Kansas to charter
41 out of such sales tax law pursuant to home rule powers as provided in the
42 Kansas Constitution; and

43 WHEREAS, It is not known with certainty how many cities in Kansas

1 have availed or will avail themselves of this constitutionally-based home
2 rule power; and

3 WHEREAS, Accordingly, cities in Kansas have the authority to make
4 changes in local retailer's sales tax law which cause or will cause the State
5 of Kansas to be noncompliant with clearly delineated requirements of the
6 SST Agreement related to exemptions, rate uniformity, both intrastate
7 and interstate, sourcing, collection and timing procedures and a myriad
8 of other potential compliance requirements; and

9 WHEREAS, Neither the State of Kansas nor the Kansas Department
10 of Revenue can clearly enforce Kansas Law enacted pursuant to the SST
11 Agreement nor can they clearly compel cities to comply with Kansas re-
12 tailers' sales tax law necessary for the State of Kansas to be substantially
13 compliant with the requirements of the SST Agreement: Now, therefore,

14 *Be it resolved by the House of Representatives of the State of Kan-*
15 *sas:* That we advise the Compliance Review Committee for the Stream-
16 lined Sales and Use Tax (SST) Agreement that the State of Kansas is not
17 substantially compliant with the SST Agreement; and

18 *Be it further resolved:* That the Chief Clerk of the House of Repre-
19 sentatives is hereby directed to send an enrolled copy of this resolution
20 to the Compliance Review Committee for the Streamlined Sales and Use
21 Tax (SST) Agreement.