

Approved: March 15, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Vice-chairperson Todd Tiahrt at 11:10 a.m. on March 12, 1993 in Room 519-S of the Capitol.

Members present: Senator Tiahrt, Senator Martin, Senator Bond, Senator Feleciano Jr., Senator Hardenburger, Senator Lee, Senator Reynolds, Senator Sallee, Senator Wisdom

Committee staff present: Tom Severn, Legislative Research Department
Chris Courtwright, Legislative Research Department
Don Hayward, Revisor of Statutes
Elizabeth Carlson, Committee Secretary

Conferees appearing before the committee: Chris Courtwright, Department of Research
Mark Burghart, General Counsel, Dept. of Revenue
Jim Weisgerber, Department of Revenue
Ron Smith, Kansas Bar Association

Others attending: See attached list

Senator Tiahrt opened the meeting by calling the committee's attention to the minutes for March 11, 1993.

HB 2004--Local sales taxes levied for health care services Re Proposal No. 5

Chris Courtwright, Department of Research, briefed the committee on **HB 2004**. He said this bill would allow cities to impose up to a 1 percent sales tax for health care purposes (in addition to authority to impose up to a 1 percent sales tax which does not have to be earmarked). Under current law, the additional 1 percent sales tax for health care purposes is available only to those cities not located in counties imposing a similarly earmarked sales tax. The bill was introduced by the 1992 Special Committee on Assessment and Taxation as part of the interim study on Proposal No. 5--Local Sales Tax.

Mark Burghart, General Counsel, Department of Revenue, said according to the Attorney General Opinion 92-96, determined that the enactment of new sales tax authority for health care purposes during the 1992 Session rendered the local sales tax act non-uniform and thus enabled cities to charter out from the local sales tax provisions. (Attachment 1) **HB 2004** is intended to reestablish uniformity in the local sales tax statutes and limit the ability of cities to charter out from these tax provisions. He urged the committee to consider favorably **HB 2004**.

In answer to questions he said it is very difficult to keep track of changes in the cities tax base and to notify the retailers of the changes. Also it is difficult to insure that the correct tax goes back to the right cities. He said the cities can only impose a 1 cent sales tax if the counties do not have this same tax. There was discussion of the fact that the cities could raise the local sales tax 4 cents.

The hearing was closed on **HB 2004**.

HB 2005--Kansas inheritance tax act amendments Re Proposal No. 6

Jim Weisgerber, Department of Revenue, appeared to explain **HB 2005**. (Attachments 2 and 3) He said this bill would bring four major areas of the Inheritance Tax Act into closer conformity with federal law. He discussed the areas as (I) Qualified Real Property Exclusion (Repealer) (II) Annuities, (III) Generation Skipping Transfer Tax (Repealer), and Qualified Terminable Interest Property (QTIP). He explained each one of these sections to the committee. The four major sections are printed in bold print with an asterisk in attachment 3.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S
Statehouse, at 11:10 a.m. on March 12, 1993.

He was asked if this would bring in a lot more revenue for the state and he said generally the revenue produced will not be of great significant. This is a clean-up bill to conform with the federal law. The Department of Revenue would be aided in the favorably passing of this bill.

Ron Smith, Kansas Bar Association, spoke in support of this bill and of what it would accomplish.

Senator Bond moved to amend the bill by making the effective date January 1, 1994. Senator Martin seconded the motion. The motion carried.

Senator Bond moved to pass **HB 2005** favorably as amended. The motion was seconded by Senator Martin. The motion carried.

Senator Bond moved to approve the minutes of March 11, 1993. The motion was seconded by Senator Reynolds. The motion carried.

The meeting was adjourned at 11:55 a.m.

The next meeting is scheduled for March 15, 1993.

DATE: March 12, 1993

[illegible]

STATE OF KANSAS

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Department of Revenue
Legal Services Bureau

MEMORANDUM

To: The Honorable Audrey Langworthy, Chairperson
Senate Committee on Assessment and Taxation

From: Mark A. Burghart, General Counsel
Kansas Department of Revenue

Date: March 12, 1993

RE: 1993 H.B. 2004

Thank you for the opportunity to appear in support of H.B. 2004. The bill is a recommendation of the 1992 Special Committee on Assessment and Taxation and is in direct response to Attorney General Opinion No. 92-96. That opinion concluded that a city may, pursuant to its home rule powers, exempt original construction services from application of the local sales tax. The Attorney General determined that the enactment of new sales tax authority for health care purposes during the 1992 Session rendered the local sales tax act nonuniform and thus enabled cities to charter out from the local sales tax provisions. H.B. 2004 is intended to reestablish uniformity in the local sales tax statutes and thus limit the ability of cities to charter out from these tax provisions.

The Attorney General opinion raised a number of issues which were considered by the Special Committee. Those issues are summarized below:

1. Although the opinion only addressed original construction services, the rationale would subject all provisions of the local retailer's sales tax to cities' powers of home rule. It would appear that a city by charter ordinance could create new exemptions or eliminate any exemptions currently provided in the state statutory sales tax base. Cities could also charter out from provisions prescribing rates and providing for elections.
2. There is no limitation on the number of times that a city could modify its sales tax base during the year. A constantly changing tax base would result in a situation where a retailer would never be entirely certain that the

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appropriate amount of tax was being collected on any given transaction. Currently, 129 cities impose a local option tax.

3. A variable tax base in cities would further complicate record keeping requirements for retailers. The audit function performed by the Department also would place additional demands on retailers to verify exempt sales.
4. Retailers would be burdened by the use of varying tax bases. The existing system is cumbersome when identifying the situs of a particular sales transaction for determining the proper local tax rate. These problems would be exacerbated because now retailers would, in addition to keeping track of local rates, also be required to monitor changing tax bases among the cities.
5. The Department would be required to notify all retailers every time a city decided to modify its tax base. This is currently done when a rate change occurs. Retailers would be uncertain whether they have the most current information from the Department. This problem already exists when tax rates are changed by cities.
6. The discussion on tax competition has historically centered on that existing between the states. That focus will now shift from interstate competition to intrastate competition. City commissions rather than legislative committees will now determine tax policy. The erosion of the local tax base for "economic development" reasons is a concern which must be addressed.
7. School finance conferees specifically intended for the local sales tax base to expand along with the state base (3 conferees were members of the 1992 Special Committee on Assessment and Taxation as was the current Secretary of Revenue).

Six cities have adopted charter ordinances which exempt original construction services from the local retailer's sales tax. The Department of Revenue has advised these cities that it will not implement these ordinances. No statutory authority exists that would allow the Department to implement charter ordinances of this nature. While cities may determine their local affairs under the constitutional home rule provision (Article 12, Section 5), they may not create additional duties for a state agency which are not specifically authorized by statute. This is particularly true when the costs associated with these additional duties have not been budgeted by the Department.

I urge the Senate Committee to favorably consider H.B. 2004. The bill is necessary to correct some unintended consequences of legislation passed during the 1992 Session. Cities were never intended to be able to charter out from the local sales tax provisions.

KANSAS DEPARTMENT OF REVENUE
SUPPLEMENTAL TESTIMONY
BEFORE THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION
FRIDAY, MARCH 12, 1993

Areas of Conformity

House Bill 2005 would bring four major areas of the Inheritance Tax Act into closer conformity with federal law. These areas are discussed briefly below.

I. Qualified Real Property Exclusion [Repealer]

K.S.A. 79-1545 provides for special use valuation of property used in a farm or other qualified business in those cases where a similar special use valuation election has been made on the federal level pursuant to IRC § 2032A. Kansas law also contains K.S.A. 79-1545b which is an alternate use valuation method called a "qualified real property exclusion election" which can be used instead of K.S.A. 79-1545, or where no 2032A election has been made.

House Bill 2005 repeals K.S.A. 79-1545b in order to provide only one special used valuation method which conforms to federal law.

II. Annuities [Section 22, Page 19]

K.S.A. 79-1553 concerns annuities or other payments receivable by a beneficiary by reason of surviving decedent. At present, as does federal law, the statute generally provides for the inclusion in the gross estate of all annuities or other payments receivable by a beneficiary by reason of surviving the decedent. Unlike present federal law, however, the statute goes on to permit the exclusion of certain items under specific provisions [subsections (c), (d) and (e)] which are modeled on federal law as it existed in 1978.

House Bill 2005 amends K.S.A. 79-1553 to eliminate the exclusionary provision of subsections (c), (d) and (e).

III. Generation Skipping Transfer Tax [New Sections 10 & 11, Page 6, Repealer]

Federal law imposes a Generation Skipping Transfer Tax (GSTT) in certain situations involving transfers of \$1,000,000 or more which "skip" a generation. Much like the federal estate tax, federal law allows a credit against the GSTT for an amount equal to that which is presumed to have been paid to the state. Unfortunately, several years ago a major change in the federal GSTT essentially invalidated the Kansas GSTT found in K.S.A. 79-1581, thereby making it impossible for Kansas to pick-up the credit.

House Bill 2005 amends K.S.A. 79-1581 to permit Kansas to pick-up the credit against the federal GSTT whenever a federal tax is imposed and credit allowed.

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IV. Qualified Terminable Interest Property (QTIP) Election [Section 4, page 3 and New Section 25, page 24.]

In order to understand the operation of a QTIP election, a general understanding of the taxation of property passing to a surviving spouse is necessary. For purposes of the following discussion, please assume that either of two fact situations exist: (1) property is passing from the decedent to the surviving spouse outright, or (2) property is passing from the decedent to the surviving spouse for life, with the remainder over to children.

- A. Kansas law provides that on the death of the decedent, any property passing to the surviving spouse is exempt from taxation. [See K.S.A. 79-1537b and K.A.R. 92-2-59.] The exemption from tax applies whether the property passes outright to the surviving spouse, or as a limited or terminable interest, such as a life estate.
- B. If the surviving spouse takes property outright:
 - 1. No tax is due from the surviving spouse, pursuant to K.S.A. 79-1537b.
 - 2. The property passing from the decedent to the surviving spouse is includable as an asset of the estate of the surviving spouse.
- C. If the surviving spouse takes a limited or terminable interest, such as a life estate, and the children receive the remainder interest:
 - 1. No tax is due on the portion passing to the surviving spouse, pursuant to K.S.A. 79-1537b.
 - 2. Tax is due on the portion passing to the remaindermen.
 - 3. No portion of the property passing from the decedent to the surviving spouse is includable as an asset of the estate of the surviving spouse since such interest is deemed to have terminated upon the death of the surviving spouse.
- D. The tax consequences of the two situations described in B and C, above, should be equal. This is true because if the remainder value is properly determined, the immediate tax consequence on the remainder interest should be equal to the tax consequence on the value of the whole property determined at the death of the surviving spouse.
- E. For tax purposes, it is possible to treat a life estate and remainder as if it passed outright to the surviving spouse. This is called a Qualified Terminable Interest Property (QTIP) election.
- F. When a QTIP election is made, the remainderman is not immediately subject to tax. Instead, the effect of the election is to delay the tax consequences until the death of the surviving spouse. As noted in D, above, this delay does not change the ultimate tax consequence.

- G. When a QTIP election is allowed, it is vital that the law contain a provision which causes inclusion of the entire value of the property subject to the election in the estate of the surviving spouse. In the absence of such a provision, the effect of the QTIP election is to cancel any tax liability since (1) there is no tax in the decedent's estate (because the property is treated as passing to the surviving spouse) and (2) no tax in the estate of the surviving spouse (because the property is not included).
- H. Once a QTIP election has been made, the estate must account for the property subject to the election through any sales or exchanges, in order to ensure that the full value of the property subject to the election is included in the estate of the surviving spouse. Should the surviving spouse live for several years, this may be a major undertaking.
- I. Federal law permits a QTIP election. Federal law also includes IRC §2044 which requires inclusion of the entire property subject to the QTIP election in the estate of the surviving spouse.
- J. K.S.A. 79-1537d provides for a Kansas QTIP election. Unfortunately, Kansas law does not contain a provision which is the equivalent of IRC §2044. As a result, any property which is subject to a Kansas QTIP election escapes taxation.

House Bill 2005 limits the availability of a QTIP election to those estates which also make a federal QTIP election. As a practical matter, the likelihood that small estates making QTIP elections will fail to report the property subject to the QTIP election as an asset of the estate of the surviving spouse is probably quite high. Small estates simply are not equipped, nor willing, to keep the records needed to track the property subject to the election, and the identity and location of the distributees receiving the property, over a long term. Property subject to a life estate and remainder included in estates not entitled to make such an election would simply be subject to immediate taxation.

In addition, House Bill 2005 includes a provision similar to IRC § 2044 in the Inheritance Tax Act. Without this provision, a QTIP election becomes the ultimate tax avoidance device. Many estates have already taken advantage of this loop-hole, and it is certain that more estates will if the loop-hole is not closed.

KANSAS DEPARTMENT OF REVENUE
INFORMATION REGARDING PROPOSED CHANGES TO
THE KANSAS INHERITANCE TAX ACT
BEFORE THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION
FRIDAY, MARCH 12, 1993

The outline set forth below is a very brief summary of the major changes to each section of House Bill 2005.

TAXES IMPOSED

Imposition of Direct Inheritance Tax

- Section 1 *Relates to imposition of tax; classification of distributees; deductions from shares of distributable estate; rates of tax.*
- Page 1 Amends K.S.A. 79-1537 to divide the statute into smaller sections, and to delete reference to certain exemptions. Deleted provisions are relocated to New Section 2 and New Section 3.

Exemptions From Direct Inheritance Tax

- Repealer *Relates to the exemption of certain notes or other evidences of debt from inheritance tax.*
- Repeals K.S.A. 79-1537a as being unnecessary.
- New Section 2 *Relates to the exemption from tax of shares of less than \$200.*
- Page 3 Provides an exemption for net distributive shares of less than \$200. (Previously contained in K.S.A. 79-1537.)
- New Section 3 *Relates to the exemption from tax of previously tax property.*
- Page 3 Provides an exemption for previously taxed property. (Previously contained in K.S.A. 79-1537.)
- Section 4 *Relates to the exemption from tax of shares of the estate succeeded to by the surviving spouse.*
- Page 3 Amends K.S.A. 79-1537b to include updated qualified terminable interest property (QTIP) election provisions. Updated QTIP provisions conform to federal law.
- Section 5 *Relates to the exemption from tax of shares of the estate succeeded to by charitable organizations.*
- Page 4 Amends K.S.A. 79-1537c to provide for changes in terminology.

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Repealer *Relates to qualified terminable interest property (QTIP).*

Repeals K.S.A. 79-1537d. Existing provisions are included in 79-1537b.

No Change *Relates to the exemption from tax of property used to pay tax pursuant to provisions in an instrument for payment of tax on gift out of other property.*

K.S.A. 79-1538 is not changed.

New Section 6 *Relates to when tax is imposed in respect to a nonresident decedent's personal property is not payable.*

Page 5 Relocates former K.S.A. 79-1558 to include it with similar statutes dealing with exemptions from the direct inheritance tax. Changes in terminology.

Pick-Up Tax

Section 7 *Relates to additional tax imposed to equal the maximum United States transfer tax credit.*

Page 5 Amends K.S.A. 79-1539 to refer to the current Internal Revenue Code (IRC).

Section 8 *Relates to tax imposed to equal the maximum United States transfer tax credit when no other tax is imposed.*

Page 6 Amends K.S.A. 79-1540 to refer to the current IRC.

Section 9 *Relates to the proration of tax (or additional tax) imposed to equal the maximum United States transfer tax credit.*

Page 6 Amends K.S.A. 79-1541 to refer to the current IRC.

Generation Skipping Transfer Tax (GSTT)

* New Section 10 *Relates to the tax imposed on generation skipping transfers.*

Page 6 Relocates former K.S.A. 79-1581 to include it with statutes imposing tax. Amends generation skipping transfer tax (GSTT) provisions to conform to current federal law.

* New Section 11 *Relates to the proration of tax imposed on generation skipping transfers.*

Page 6 Relocates former K.S.A. 79-1582 to include it with statutes imposing tax. Amends GSTT provisions to conform to current federal law.

DEFINITIONS

Section 12 *Relates to definitions.*

Page 7 Amends K.S.A. 79-1542 to provide additional definitions, and to permit terminology used throughout the act to be uniform.

The term "distributable estate" is used throughout the act to replace the estate tax term "taxable estate".

The terms "distributee", and "distributive share" are used throughout the act to replace a variety of terms used to refer to the recipients of the decedent's estate.

The term "personal representative" is used throughout the act to replace the phrase "executor, administrator or deemed executor" when referring to the estate's fiduciary.

VALUATION OF PROPERTY INCLUDED IN GROSS ESTATE

New Section 13 *Relates to the valuation of the decedent's gross estate.*

Page 8 Provides a general statement concerning the valuation of property included in gross estate.
(Previously contained in K.S.A. 79-1543.)

Section 14 *Relates to the valuation of the decedent's gross estate; provides for alternate valuation.*

Page 8 Amends K.S.A. 79-1543 to conform to current IRC.

Repealer *Relates to future estates or interests, and the settlement and payment of tax upon estates or interests which are contingent.*

Repeals K.S.A. 79-1544. Provisions relocated to New Section 35.

Section 15 *Relates to the valuation of the decedent's gross estate; provides for special valuation based on use.*

Page 9 Amends K.S.A. 79-1545 to refer to current IRC. Deletes references to 79-1545b.

Repealer *Relates to the application of special valuation provisions.*

Repeals K.S.A. 79-1545a as being unnecessary.

* Repealer *Relates to the valuation of the decedent's gross estate; provides for the exclusion of certain qualified real property.*

Repeals K.S.A. 79-1545b qualified real property exclusion provisions [Special use valuation]. Retention of K.S.A. 79-1545 provides conformity to federal law.

Repealer *Relates to the application of special valuation provisions.*

Repeals K.S.A. 79-1545c as being unnecessary.

Repealer *Relates to the application of special valuation provisions.*

Repeals K.S.A. 79-1545d as being unnecessary.

Repealer *Relates to the application of special valuation provisions.*

Repeals K.S.A. 79-1545e as being unnecessary.

COMPUTATION OF GROSS, ADJUSTED GROSS AND DISTRIBUTABLE ESTATE
DISTRIBUTION OF SHARES

Gross Estate

Section 16 *Relates to the computation of the gross estate, and the property included therein.*

Page 16 Amends K.S.A. 79-1546 to refer to all sections relating to valuation.

Section 17 *Relates to property in which the decedent had an interest at death.*

Page 16 Amends K.S.A. 79-1547 to make changes in terminology.

No Change *Relates to property in which the decedent had an interest at death; specifically interest of the surviving spouse under statute creating estate in lieu of dower or curtesy*

K.S.A. 79-1548 is not changed.

- Section 18 *Relates to property in which the decedent had an interest at death; specifically property transferred in contemplation of death.*
- Page 16 Amends K.S.A. 79-1549 to conform to current IRC.
- Section 19 *Relates to property in which the decedent had an interest at death; specifically property transferred in which decedent retained a life estate.*
- Page 17 Amends K.S.A. 79-1550 to conform to current IRC.
- Section 20 *Relates to property in which the decedent had an interest at death; specifically property transferred to take effect at death in which decedent retained reversionary interest.*
- Page 18 Amends K.S.A. 79-1551 to conform to current IRC.
- Section 21 *Relates to property in which the decedent had an interest at death; specifically property transferred in where enjoyment thereof is subject to a power to alter, amend, revoke or terminate.*
- Page 18 Amends K.S.A. 79-1552 to conform to current IRC.
- * Section 22 *Relates to property in which the decedent had an interest at death; specifically annuities or other payments receivable by a beneficiary by reason of surviving the decedent.*
- Page 19 Amends K.S.A. 79-1553 to conform to current IRC.
- No Change *Relates to property in which the decedent had an interest at death; specifically property held in joint tenancy or tenancy in entirety.*
- K.S.A. 79-1554 relating to interest held in joint tenancy is not changed.
- Repealer *Relates to the application of joint tenancy provisions.*
- K.S.A. 79-1554a is repealed as being unnecessary.
- Section 23 *Relates to property in which the decedent had an interest at death; specifically property in respect to which the decedent had a general power of appointment.*
- Page 22 Amends K.S.A. 79-1555 to conform to current IRC.

Section 24 *Relates to property in which the decedent had an interest at death; specifically life insurance proceeds.*

Page 24 Amends K.S.A. 79-1556 to conform to current IRC and/or to make changes in terminology.

No Change *Relates to property in which the decedent had an interest at death; specifically transfers for insufficient consideration.*

K.S.A. 79-1557 relating to transfers for insufficient consideration is not changed.

* New Section 25 *Relates to property in which the decedent had an interest at death; specifically property previously subject to a qualified terminable interest property election.*

Page 24 Provides for inclusion of property for which a QTIP election has previously been made.

Repealer *Relates to when tax is imposed in respect to a nonresident decedent's personal property is not payable.*

Repeals K.S.A. 79-1558. Provisions relocated to New Section 6.

Adjusted Gross Estate

Section 26 *Relates to the computation of the decedent's adjusted gross estate.*

Page 24 Amends K.S.A. 79-1559 to include a provision concerning tax situs of property.

Distributable Estate

Section 27 *Relates to the computation of the decedent's distributable estate.*

Page 25 Amends K.S.A. 79-1560 to provide for changes in terminology.

Section 28 *Relates to the computation of the decedent's distributable estate: specifically deductions for funeral expenses, administration expenses and claims against the estate.*

Page 26 Amends K.S.A. 79-1561 to conform to current IRC.

Section 29 *Relates to the computation of the decedent's adjusted gross or distributable estate: specifically providing that certain deductions made for inheritance tax purposes may not be made for income tax purposes.*

Page 27 Amends K.S.A. 79-1562 to provide for changes in terminology.

Section 30 *Relates to the computation of the decedent's distributable estate: specifically deductions for federal estate tax.*

Page 27 Amends K.S.A. 79-1563 to provide for changes in terminology.

Distributable Shares

New Section 31 *Relates to the manner in which the decedent's estate will be distributed for inheritance tax purposes.*

Page 27 Directs and defines how property comprising distributable estate is to be distributed for inheritance tax purposes.

PROCEDURAL PROVISIONS

Filing Requirements / Payment of Tax / Collection of Tax

Section 32 *Relates to the requirements for filing of returns and payment of tax for taxable estates.*

Page 28 Amends K.S.A. 79-1564 to provide for changes in terminology.

Section 33 *Relates to the requirements for filing of returns for non-taxable estates.*

Page 31 Amends K.S.A. 79-1565 to provide for changes in terminology.

No Change *Relates to the payment of tax in installments.*

 K.S.A. 79-1566 relating to installment payments is not changed.

Section 34 *Relates to the payment of tax on vested estates in remainder.*

Page 31 Amends K.S.A. 79-1567 to provide for changes in terminology.

New Section 35 *Relates to future estates or interests, and the settlement and payment of tax upon estates or interests which are contingent.*

Page 32 Relocates former K.S.A. 79-1544 relating to contingent interests to include it with similar statutes dealing with payment of tax.

Section 36 *Relates to the collection of tax by the personal representative.*

Page 33 Amends K.S.A. 79-1568 to provide for changes in terminology.

- Section 37 *Relates to the enforcement of collection of tax.*
- Page 33 Amends K.S.A. 79-1569 to provide for changes in terminology.
- Section 38 *Relates to the requirement that the district court find settlement of all taxes prior to allowing a final account.*
- Page 36 Amends K.S.A. 79-1570 to provide for changes in terminology.

Closing of Estate

- Section 39 *Relates to the issuance of a closing letter for a taxable estate.*
- Page 36 Amends K.S.A. 79-1571 to provide for changes in terminology.
- Section 40 *Relates to the release or transfer of assets of a nonresident decedent to a foreign personal representative.*
- Page 37 Amends K.S.A. 79-1572 to provide for changes in terminology.
- Section 41 *Relates to the repayment of tax on a renounced share or where it is determined no tax is payable.*
- Page 38 Amends K.S.A. 79-1573 to provide for changes in terminology.

Statute of Limitations

- Section 42 *Relates to the statute of limitations.*
- Page 38 Amends K.S.A. 79-1574 to provide for changes in terminology. Also provides 180 day "window" in statute of limitations to provide both taxpayer and Department time to address changes made as a result of IRS audit. Changes in terminology.

Examination of Returns by Director / Jurisdiction of Controversies

- Section 43 *Relates to the examination of returns by the director, hearings and the assessment of additional tax*
- Page 40 Amends K.S.A. 79-1575 to provide for changes in terminology. Also increases de minimus assessment level from \$5 to \$25.
- Section 44 *Relates to the director's jurisdiction over controversies.*
- Page 40 Amends K.S.A. 79-1576 to provide for changes in terminology.

Disposition of Revenue

Section 45 *Relates to the disposition of revenue.*

Page 41 Amends K.S.A. 79-1577 to provide for changes in terminology.

Repealer *Relates to the county inheritance tax fund.*

Repeals K.S.A. 79-1578 as obsolete.

Section 46 *Relates to the inheritance tax abatement refund fund and the payment of refunds.*

Page 41 Amends K.S.A. 79-1579 to provide for changes in terminology. Also increases de minimus refund level from \$5 to \$25.

Fees for Administration

Section 47 *Relates to fees for administration of the inheritance tax act.*

Page 42 Amends K.S.A. 79-1580 to delete the fee for furnishing a certified copy of a receipt for taxes paid or a closing letter and the fee for a waiver consenting to transfer of stock.

General Provisions

Repealer *Relates to the tax imposed on generation skipping transfers.*

Repeals K.S.A. 79-1581 relating to GSTT. Relocates former 79-1581 to include it with similar statutes dealing with imposition of tax.

Repealer *Relates to the proration of tax imposed on generation skipping transfers.*

Repeals K.S.A. 79-1582 relating to GSTT. Relocates former 79-1581 to include it with similar statutes dealing with imposition of tax.

No Change *Relates to rules and regulations.*

K.S.A. 79-1583 is not changed.

No Change *Relates to the application of the act.*

K.S.A. 79-1584 is not changed.

No Change	<i>Relates to the application of the act.</i> K.S.A. 79-1584a is not changed.
No Change	<i>Relates to the application of the act.</i> K.S.A. 79-1584b is not changed.
No Change	<i>Relates to the application of the act.</i> K.S.A. 79-1584c is not changed.
No Change	<i>Relates to the severability clause.</i> K.S.A. 79-1585 is not changed.
No Change	<i>Relates to the title of the act.</i> K.S.A. 79-1586 is not changed.
No Change	<i>Relates to confidentiality provisions.</i> K.S.A. 79-1587 is not changed.