

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on January 13, 2005 in Room 519-S of the Capitol.

Committee members absent: Senator Derek Schmidt- excused

Committee staff present: Chris Courtwright, Kansas Legislative Research  
Martha Dorsey, Kansas Legislative Research  
Gordon Self, Revisor of Statutes Office  
Nancy Kirkwood, Secretary

Conferees appearing before the committee: Richard Cram, Kansas Department of Revenue  
Eileen King, County Treasurer, Riley County

Others attending: See attached list.

Hearing on:

**SB 23 – Sales tax calculation for isolated or occasional sale of motor vehicles; refunds; verification of selling price**

Chairperson Allen opened the meeting today recognizing Richard Cram, KDOR, to give the Committee a background review on Tax on Isolated Sales of Motor Vehicles. In summary, Mr. Cram commented on **SB 23**, and the Pennsylvania Approach contained within. The bill would repeal the current law that has created so much controversy, offer refunds, and give the Department the authority to implement Rules and Regulations similar to those in Pennsylvania, whereby KDOR would develop criteria for screening private car sales transactions. Pennsylvania has a contract with Kelly Bluebook to process data received from local registration offices on private car sales throughout the state, and to identify for the Revenue Department those transactions that fall outside of a certain screening criteria. At that time, the Revenue Department staff contact the purchaser, and give the purchaser the opportunity to pay the index value, or provide evidence proving the sale price actually paid was what the vehicle was actually worth.

KDOR recommended and provided a balloon to **SB 23**. The balloon would amend KSA 8-134 to provide that when the Department assesses someone for underpayment of sales tax on a private car sales tax transaction, the Department will notify the County Treasurer, who could not renew the registration on that vehicle until the tax has been paid. **SB 23** also provides for retroactive refunds. The Department estimates as many as 25,000-30,000 refunds could be requested. A six month period is proposed by KDOR for refund claims to be filed. The Department also proposes a minimum refund of 10 dollars (Attachment 1). **SB 23** currently contains language requiring a statement be added to the back of the Certificate of Title form warning the person signing it that false statements may result in fines and/or imprisonment. The Department proposes deleting this language, and instead instituting a requirement that a Bill of Sale be signed by both buyer and seller, along with an affidavit swearing to the correct sales price (Attachment 2). If the title form were to be changed, KDOR testified it would cost an extra 60,000 dollars. The Department could avoid this expense if a statement was added to the sales tax receipt, instead of making a statutory change. Therefore, it recommends section I of **SB 23** be deleted.

Eileen King, Riley County Treasurer, representing Kansas County Treasurers Association (KCTA), was recognized by Chairperson Allen. She stated KCTA strongly supports the repeal of the 2004 legislation and the provision for refunds (Attachment 3).

There being no others to testify on **SB 23**, Chairperson Allen closed the hearing. The Chair informed the Committee it was her intention to work **SB 23** on Tuesday, January 18, 2005.

The Chair asked for bill introductions. Mike Taylor, Unified Government, Wyandotte County, Kansas City, Kansas, appeared before the Committee requesting the introduction of a bill that deals with collection of delinquent taxes. The Unified Government would like to be able to use civil judgement remedies to collect delinquent taxes. Mike stated he had the support of the Kansas Association of Counties and the Greater

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:40 A.M. on January 13, 2005 in Room 519-S of the Capitol.

Kansas City Chamber. Senator Donovan made a motion to introduce the bill, seconded by Senator Jordan. The motion carried.

Senator Donovan asked for introduction of a county arena tax bill, and another bill creating a check off system for KIOGA, so their members could pay a small fee that would go into education. Senator Donovan made a motion to introduce legislation for these two bills. Senator Jordan seconded the motion, and the motion carried.

Chairperson Allen informed the Committee it would meet next Tuesday, January 18, 2005.

The meeting adjourned at 11:35 a.m.

~~SPECIAL~~ COMMITTEE ON ASSESSMENT AND TAXATION  
GUEST LIST

DATE: 1-13-05

NAME	REPRESENTING
Whitney Damon	KS Automobile Dealers Assn
DON McNEELY	" " " "
Steve Johnson	KS Gas Service
Roger Hamm	KBOR PUD
SEAN MILLER	KS Dairy Assn
J Murdie	Legislature Post Audit
Diane Albert	KBOR - Vehicles
Deann Williams	KS Motor Carriers ASSOC
Hao Hudson	NFIB/ KS
Bell Henry	KS Credit Union Assn
<b>BRAD HARREYSON</b>	<b>KFB</b>
Michael White	Kearney & Assoc.
Leslie Kaufman	KS Coop Council
Danielle Roe	Johnson County
Bill Brady	KGC
Mike Taylor	Unified Government/Wyco KCK
April Holman	Kansas Action for Children
Amber Shaverdi	PUCA



# K A N S A S

JOAN WAGNON, SECRETARY

DEPARTMENT OF REVENUE  
POLICY AND RESEARCH

KATHLEEN SEBELIUS, GOVERNOR

Testimony to Senate Committee on Assessment and Taxation  
Richard Cram  
Carmen Alldritt

January 13, 2005

## **Senate Bill 23 and the Pennsylvania Approach to Private ("Isolated or Occasional") Car Sales Tax**

Senate Bill 23 would repeal subsection 7(o) of 2004 House Substitute for Senate Bill 147, and provide retroactive refunds on private car sales transactions occurring while the repealed law was in effect. It would authorize the Department to adopt by rule and regulation an approach similar to Pennsylvania's for screening private car sales transactions. The Pennsylvania revenue department contracts with Kelly Bluebook to process data received from local registration offices on private car sales (date, make and model, mileage, sale price, etc.) throughout the state, and Kelly Bluebook identifies for the revenue department those transactions that fall outside of a certain screening criteria (such as more than \$3,000 below the Kelly Bluebook value). Compliance staff then follow up specifically on those transactions that appear questionable by contacting the purchaser, giving the option of remitting sales tax based on the fair market value or providing evidence to prove the purchase price and explain why it was so far below the Kelly Bluebook value. If adequate explanation and evidence is received, the matter is closed. If not, the department assesses the purchaser for the difference in value. A property tax lien is part of this assessment. Pennsylvania has a staff of 14 who work about 2000 questionable private car sales transactions and recover about \$80,000 in sales tax per month. The program has been in place for 4 years, established by administrative regulation. A total of approximately \$5.3 million has been collected during the life of the program. The program manager felt that much of the value of the program was the deterrent effect that it had on people in reporting accurate sales prices on private car sales. The Pennsylvania program is clearly labor intensive. The contract with Kelly Bluebook is expensive, in the range of \$125,000 per year.

If Senate Bill 23 is adopted, the department would explore less expensive options than the Kelly Bluebook contract used in Pennsylvania for developing screening criteria on private car sales transactions. We would also work with County Treasurers in "red-flagging" the private car sale transactions that fall outside the screening criteria. Without an enforcement tool to assist in the collection of the additional sales tax due as the result of the audit, it will be difficult to collect. It is recommended that Senate Bill 23 provide the ability for county treasurers to deny renewal of a vehicle registration on those transactions in which the owner owed additional tax on a private car sale and an assessment from the department is outstanding.

If retroactive refunds are approved, the Department recommends that taxpayers be given a 6-month time period in which to file their refund claims, and that refunds of less than \$10 not be paid. This would ensure prompt filing of the claims and reduce processing costs.

#### Fiscal Impact of Senate Bill 23

For the first 5 months after the law change on private car sales took effect July 1, 2004, state sales tax revenues from private car sales have increased approximately \$2.2 million. Projecting this increase for the entire fiscal year, an additional \$5 million in state sales tax revenues is expected for FY 05. Assuming an effective date of March 1, 2005 for Senate Bill 23, if the current law is repealed and replaced with an approach similar to Pennsylvania's, and if retroactive refunds are allowed, there will be a negative fiscal impact. Assuming \$3.5 million in additional state sales tax revenues would be collected on private car sales transactions occurring between July 1, 2004 and February 28, 2005, this would be subject to refund under Senate Bill 23. Sales tax would be collected on the difference between the stated selling price and fair market value only when the stated selling price falls below the screening criteria and the purchaser cannot justify the price differential. Assuming 60% of the additional revenue collected were refunded, this would be \$2.1 million in refunds. Also, had the current law remained in effect, an additional \$1.5 million in state sales tax revenue attributable to private car sales from March 1, 2005 through June 30, 2005 could have been expected. We will assume 60% of this revenue, or \$.9 million, will likely be foregone under Senate Bill 23. Total negative fiscal impact for FY 05 from Senate Bill 23 would be \$3 million. For FY 06 and out years, the negative fiscal impact is expected to be \$3 million annually.

#### Administrative Costs Estimate for Senate Bill 23

As our fiscal note details, administrative costs will total \$220,300, with on-going salary and operating expenses of \$148,200. There are approximately 180,000 private car sales transactions registered in Kansas per year. The department estimates 25,000 to 30,000 refunds could be requested, most received shortly after the effective date. The department anticipates hiring two (2) temporary staff for 6 months to work refunds and at least two (2) permanent new Auditor 1 positions to review private car sales transactions flagged as outside the screening criteria and follow up with the purchasers to collect and assess the addition tax owed. The department needs to purchase a subscription for an on-line vehicle value guide (subscription cost estimate of \$16,000 annually) and develop a computer program to flag suspect transactions.

Section 1 of Senate Bill 23 requires that a statement be added to the certificate of title form, advising that the seller and buyer of the legal consequences of falsifying reported selling prices. The Department recommends that this provision be deleted, in order to avoid the expense of changing and re-printing the certificate of title forms. This would save \$60,000 in printing costs. Certificates of title currently contain the following statement on the assignment portion: "Failure to complete or providing a false statement may result in fines and/or imprisonment." We recommend that the statement proposed in Section 1 instead be added to the sales tax receipt form issued by the County Treasurer at the time of registration. This can be done without a statutory change. The buyer can be required to sign the sales tax receipt as part of the registration process with the County Treasurer. This should accomplish the goal of Section 1 while saving the printing costs for a new certificate of title form.

The department's proposed balloon amendments are attached.

**SENATE BILL No. 23**

By Special Committee on Assessment and Taxation

1-10

9 AN ACT concerning sales tax on isolated or occasional sales of motor  
10 vehicles; relating to base of computation; verification; sales tax refunds;  
11 motor vehicle certificate of title; amending K.S.A. 2004 Supp. 8-135  
12 and 79-3603 and repealing the existing sections.  
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Sec. 1. K.S.A. 2004 Supp. 8-135 is hereby amended to read as fol-  
16 lows: 8-135. (a) Upon the transfer of ownership of any vehicle registered  
17 under this act, the registration of the vehicle and the right to use any  
18 license plate thereon shall expire and thereafter there shall be no transfer  
19 of any registration, and the license plate shall be removed by the owner  
20 thereof. Except as provided in K.S.A. 8-172, and amendments thereto,  
21 and 8-1,147, and amendments thereto, it shall be unlawful for any person,  
22 other than the person to whom the license plate was originally issued, to  
23 have possession thereof. When the ownership of a registered vehicle is  
24 transferred, the original owner of the license plate may register another  
25 vehicle under the same number, upon application and payment of a fee  
26 of \$1.50, if such other vehicle does not require a higher license fee. If a  
27 higher license fee is required, then the transfer may be made upon the  
28 payment of the transfer fee of \$1.50 and the difference between the fee  
29 originally paid and that due for the new vehicle.

30 (b) Subject to the provisions of subsection (a) of K.S.A. 8-198, and  
31 amendments thereto, upon the transfer or sale of any vehicle by any  
32 person or dealer, or upon any transfer in accordance with K.S.A. 2004  
33 Supp. 59-3511, and amendments thereto, the new owner thereof, within  
34 30 days, inclusive of weekends and holidays, from date of such transfer  
35 shall make application to the division for registration or reregistration of  
36 the vehicle, but no person shall operate the vehicle on any highway in  
37 this state during the thirty-day period without having applied for and  
38 obtained temporary registration from the county treasurer or from a  
39 dealer. After the expiration of the thirty-day period, it shall be unlawful  
40 for the owner or any other person to operate such vehicle upon the high-  
41 ways of this state unless the vehicle has been registered as provided in  
42 this act. For failure to make application for registration as provided in  
43 this section, a penalty of \$2 shall be added to other fees. When a person

Delete  
Section 1  
in total

|

1 the director of taxation pursuant to rules and regulations promulgated by  
 2 the director as authorized hereby. Any amount of sales tax paid pursuant  
 3 to the Kansas retailers sales tax act on the isolated or occasional sale of  
 4 motor vehicles or trailers on and after July 1, 2004, which the base for  
 5 computing the tax was the value pursuant to subsections (a), (b)(1) and  
 6 (b)(2) of K.S.A. 79-5105, and amendments thereto, when such amount  
 7 was higher than the amount of sales tax which would have been paid  
 8 under the law as it existed on June 30, 2004, shall be refunded to the  
 9 taxpayer pursuant to the procedure prescribed by this section. Such re-  
 10 fund shall be in an amount equal to the difference between the amount of  
 11 sales tax paid by the taxpayer and the amount of sales tax which would  
 12 have been paid by the taxpayer under the law as it existed on June 30,  
 13 2004. Each claim for a sales tax refund shall be verified and submitted to  
 14 the director of taxation upon forms furnished by the director, and shall be  
 15 accompanied by any additional documentation required by the director.  
 16 The director shall review each claim and verify the purchase price in the  
 17 same manner as provided in this subsection and shall refund that amount  
 18 of tax paid as provided by this act. All such refunds shall be paid from  
 19 the sales tax refund fund, upon warrants of the director of accounts and  
 20 reports pursuant to vouchers approved by the director of taxation or the  
 21 director's designee. In determining the base for computing the tax on  
 22 such isolated or occasional sale, the fair market value of any motor vehicle  
 23 or trailer traded in by the purchaser to the seller may be deducted from  
 24 the selling price;

Not later than  
 six months from  
 the effective date  
 of this act

No refund shall  
 be made for an amount  
 less than \$10.00  
 shall be paid.

25 (p) the gross receipts received for the service of installing or applying  
 26 tangible personal property which when installed or applied is not being  
 27 held for sale in the regular course of business, and whether or not such  
 28 tangible personal property when installed or applied remains tangible  
 29 personal property or becomes a part of real estate, except that no tax shall  
 30 be imposed upon the service of installing or applying tangible personal  
 31 property in connection with the original construction of a building or  
 32 facility, the original construction, reconstruction, restoration, remodeling,  
 33 renovation, repair or replacement of a residence or the construction, re-  
 34 construction, restoration, replacement or repair of a bridge or highway.

35 For the purposes of this subsection:

36 (1) "Original construction" shall mean the first or initial construction  
 37 of a new building or facility. The term "original construction" shall include  
 38 the addition of an entire room or floor to any existing building or facility,  
 39 the completion of any unfinished portion of any existing building or fa-  
 40 cility and the restoration, reconstruction or replacement of a building or  
 41 facility damaged or destroyed by fire, flood, tornado, lightning, explosion  
 42 or earthquake, but such term, except with regard to a residence, shall not  
 43 include replacement, remodeling, restoration, renovation or reconstruc-

# Kansas Statutes Annotated

Updated Through the 2003 Legislative Session

**Statute Number:** 8-134  
**Chapter Title:** AUTOMOBILES AND OTHER VEHICLES  
**Article Title:** GENERAL PROVISIONS  
**Tax Type:** Vehicles  
**Brief Description:** Renewal of registration of certain vehicles; registration and reregistration of passenger vehicles; monthly system; decals for license plates; rules and regulations.  
**Keywords:**

**Body:**

8-134

Chapter 8.--AUTOMOBILES AND OTHER VEHICLES  
Article 1.--GENERAL PROVISIONS

8-134. Renewal of registration of certain vehicles; registration and reregistration of passenger vehicles; monthly system; decals for license plates; rules and regulations. (a) Every vehicle registration under this act shall expire December 31 of each year, except passenger vehicles and vehicles provided for in K.S.A. 8-134a, and amendments thereto. The registration of vehicles to which K.S.A. 8-134a, and amendments thereto, applies shall expire in 1982 and thereafter in accordance with the provisions of subsections (b) and (c). Registration of vehicles shall be renewed annually upon application by the owner and by payment of the fees required by law. Except vehicles subject to K.S.A. 8-134a, and amendments thereto, and passenger vehicles, the renewal shall take effect on January 1 of each year but the owner of the vehicle shall have until and including the last day of February of each year within which to make application for such renewal. The division shall issue for such vehicles a February month decal to correspond with the statutory grace period. Criminal sanctions provided in K.S.A. 8-142 and amendments thereto, for failure to display any license plate or plates or any registration decal required to be affixed to any such license plate for the current registration year shall not be enforced until March 1 of each year. An owner who has made proper application for renewal of registration of a vehicle prior to January 1, but who has not received the license plate or registration card for the ensuing year, shall be entitled to operate or permit the operation of such vehicle upon the highways upon displaying thereon the license plate issued for the preceding year for such time as the director of vehicles finds necessary for issuance of such new license plate.

(b) Every passenger vehicle required by this act to be registered, except as otherwise provided, shall be registered for a period of 12 consecutive months. The division of vehicles, in order to initiate a system of registering or reregistering passenger vehicles during any month of a calendar year, may register or reregister a passenger vehicle for less than a twelve-month period, prorating the annual registration fee, when in the director's opinion such proration tends to fulfill the purpose of the monthly registration system.

(c) Passenger vehicle registration, and the authority to legally operate, use, or tow such vehicle on the highway shall expire at 12:00 a.m. midnight on the last day of the last month of the twelve-month period for which such vehicle was registered, and the owner shall see that such vehicle is reregistered as required by this act. The director of vehicles shall designate the registration period for each passenger vehicle in order to as nearly as feasible equalize registration or reregistration within the 12 months of the year. Any vehicle after having once been registered shall upon reregistration, be registered for the same twelve-month period except when the certificate of title has been transferred as provided by law. In this case, the vehicle shall be registered by the division of vehicles in accordance with the system adopted.

(d) For the purpose of this act, hearses and electrically propelled vehicles shall be classified as passenger vehicles.

*Renewal of registration shall be denied for any vehicle registered pursuant to this act and purchased in an isolated or occasional sale transaction if the county treasurer receives notice from the director of taxation that the purchaser of such vehicle has a final liability for unpaid sales tax due on such transaction.*

(e) Every owner who registers or reregisters a vehicle in a calendar year, and in any calendar year in which a license plate is not issued for the renewal of registration of such vehicle, shall be furnished by the division one decal for the license plate issued for such vehicle and required by K.S.A. 8-133, and amendments thereto, to be affixed to the rear of such vehicle. Such decal shall be affixed to the number plate affixed to the rear of such vehicle and shall contain the letters designating the county in which such vehicle is registered, as provided in K.S.A. 8-147, and amendments thereto, shall be numbered serially in each county and shall indicate the year in which such registration expires. The color of a decal shall be such that it contrasts with the color of the license plate to which it is to be affixed, and the director of vehicles shall change the color of such decals each year, without duplicating the same color in any five-year period or such extended period as the director designates under subsection (b) of K.S.A. 8-132 and amendments thereto. Such decals shall be so constructed that once a decal has been affixed to a license plate it cannot be removed without destroying the decal, and the surface of such decals shall be capable of reflecting light. Consistent with the foregoing, the director of vehicles shall prescribe the size of and material to be used in the production of such decals, and the director of vehicles shall designate the location on a number plate where such decal shall be affixed.

(f) The secretary of revenue shall adopt rules and regulations necessary to accomplish the purpose of this act.

History: L. 1929, ch. 81, § 12; L. 1969, ch. 47, § 1; L. 1972, ch. 342, § 32; L. 1974, ch. 35, § 3; L. 1975, ch. 30, § 3; L. 1979, ch. 35, § 1; L. 1981, ch. 36, § 2; L. 1983, ch. 29, § 2; L. 2003, ch. 34, § 1; July 1.

# 2005 Senate Bill 023a Fiscal Note

Introduced as a Senate Bill

## Brief of Bill

Senate Bill 23, as Introduced, amends K.S.A.79-3603 as it concerns the computation of sales tax on isolated and occasional sale of motor vehicles or trailers. The proposal would delete the requirement imposed by the 2003 Legislature that the tax be based the value pursuant to subsections (a), (b)(1) and (b)(2) of K.S.A. 79-5101, which are the values used in computing the property tax on vehicles, if greater than the purchase price stated by the purchaser. It also requires the department to verify that the tax paid approximates the fair market value of the vehicle or trailer and provides for a refund of the difference between the tax paid and the amount that would have been paid prior to the revision of the statute by the 2004 legislature. The proposal requires the addition of a statement on the certificate of title advising the seller and buyer of the legal consequences of falsifying reported selling prices.

The Act would be effective upon publication in the Kansas Register.

## Fiscal Impact

The proposal will have a negative state sales tax impact. In fiscal year 2005, the proposal is estimated to result in the loss of \$3 million. Assuming an effective date of March 1, 2005 for the proposal, the loss is based on refunding 60% of the additional revenues of \$3.5 million projected to be collected on transactions occurring between July 1, 2004 and February 28, 2005, and not collecting an additional \$.9 million of state sales tax on transactions occurring between March 1, 2005 and June 30, 2005, as a result of the statute change taking effect upon publication. In fiscal year 2006 and future years, the proposal will result in a loss of revenue due to those sales in which the tax paid would be based on the purchase price and not based on the property tax value. With the current statute, there will be an increase of \$5 million of state sales tax generated annually. With the changes proposed in this bill it is estimated that some portion of the new revenue will be lost, as the department will not be able to audit all of the isolated and occasional sales transactions, and any assessments will only apply on sales prices falling outside of the screening criteria. The loss is estimated at \$3 million annually.

The loss in local sales tax revenue is estimated at \$350,000 annually.

## Administrative Impact

There are two primary costs associated with the proposal. The department will have the cost of issuing refunds to taxpayers. The department estimates as many as 25,000-30,000 refunds could be requested, most of them within a short time period. To process the refunds, the department anticipates hiring two (2) temporary staff for 6 months. There would be forms cost of \$3,500.

To perform the verification process, the department will develop a computer program to flag suspect transactions and hire two (2) full time staff to research and contact the vehicles purchasers on questionable transactions. In addition, the department would purchase a

subscription to an on-line value guide to assist in determining the fair market value of the vehicle. The annual cost of this subscription is estimated at \$16,000 annually.

The estimated IS resources necessary to implement this bill are 10 weeks of in-house APA III time. The estimated user testing resources necessary to implement the bill are 4 weeks of MSA I time. If the combined impact of implementing all changes from enacted legislation affecting the Department of revenue exceeds the Department's programming resources, or if the time period for implementing such changes is insufficient, expenditures for contact programmer services, which are beyond the Department's budget may be required.

The requirement to modify the certificate of title will cost \$60,000. The department suggests an alternative approach that would not cost any additional funds to implement in the administrative problems and comments section.

Staffing, equipment and software requirements for the proposal are:

2 – FTEs CR Specialists – Salary	\$100,400
2 - Temps 6 months Office Asst	\$30,000
2 - Workstations -	\$8,600
2 - Annual Other Operating Expenditures	\$1,800
On-Line vehicle value guides	\$16,000
Certificate of Title changes	\$60,000
Refund Forms	\$3,500
Total	\$220,300.

#### **Administrative Problems and Comments**

The department respectively suggests that the requirement to add a sentence to the certificate of title be removed and that the department would add such a sentence to the sales tax receipt provided to the vehicle purchaser. This would result in over \$60,000 in savings to the state in forms costs and placing the statement on the sales tax receipt, which is signed by the purchaser, would ensure the purchaser is aware of the consequences of falsifying information.

#### **Taxpayer/Customer Impact**

#### **Legal Impact**

**DO NOT ACCEPT TITLE SHOWING ANY ERASURES, WHITEOUT, ALTERATIONS OR MUTILATIONS**

By affixing his or her signature seller assigns, transfers and conveys unto the purchaser(s) the vehicle described on this certificate of title and seller warrants same to be free from all liens and encumbrances except as stated on the assignment or reassignment. Federal and Kansas law requires that the seller state the mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment. Kansas resident must make application for title within 30 days of the date the vehicle was sold and delivered in the county treasurer's motor vehicle office where the vehicle will be garaged.

ASSIGNMENT OF TITLE	The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address:	
	Name of Purchaser(s) _____	
	Address _____ City _____ State _____ ZIP _____	
	Lienholder or Secured Party _____ Address _____	
I, seller(s), certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:		<b>Vehicle was sold and delivered on:</b> (Seller MUST record the date.) _____ Month _____ Day _____ Year I/We, the undersigned hereby swear or affirm that I/we am/are the seller of the motor vehicle described herein and that the information provided in this title assignment is true and correct to the best of my/our belief. I/We am/are aware that the law provides severe penalties for making false statements under oath.
<input type="checkbox"/> The mileage stated is in excess of the mechanical limits of the odometer. <input type="checkbox"/> The odometer reading is not actual mileage. <b>WARNING-ODOMETER DISCREPANCY.</b>		
ODOMETER READING (No Tenths) _____ I, buyer(s), am aware of the odometer certification made by seller(s).		
Buyer(s) Signature (Authorized Agent, if Dealership) _____ Buyer's Hand Printed Name (Same Person(s) that Signed Above.) _____ PURCHASE PRICE of the vehicle was: \$ _____		
Seller Signature (If Dealership, Authorized Agent) _____ Seller's Hand Printed Name (Same Person(s) that Signed Above.) _____ Dealer Number, if applicable _____		
FIRST RE-ASSIGNMENT BY LICENSED DEALER	The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address:	
	Name of Purchaser(s) _____	
	Address _____ City _____ State _____ ZIP _____	
	Lienholder or Secured Party _____ Address _____	
I, seller(s), certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:		<b>Vehicle was sold and delivered on:</b> (Seller MUST record the date.) _____ Month _____ Day _____ Year I, the undersigned, hereby swear or affirm that I am the seller of the motor vehicle described herein and that the information provided in this title reassignment is true and correct to the best of my belief. I am aware that the law provides severe penalties for making false statements under oath.
<input type="checkbox"/> The mileage stated is in excess of the mechanical limits of the odometer. <input type="checkbox"/> The odometer reading is not actual mileage. <b>WARNING-ODOMETER DISCREPANCY.</b>		
ODOMETER READING (No Tenths) _____ I, buyer(s), am aware of the odometer certification made by seller(s).		
Buyer(s) Signature (Authorized Agent, if Dealership) _____ Buyer's Hand Printed Name (Same Person(s) that Signed Above.) _____ PURCHASE PRICE (Retail Sale ONLY) \$ _____		
Seller Signature (Authorized Agent of Dealership) _____ Seller's Hand Printed Name (Same Person(s) that Signed Above.) _____ Dealership's Name (Print or Type) _____ Dealer Number _____		
SECOND RE-ASSIGNMENT BY LICENSED DEALER	The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address:	
	Name of Purchaser(s) _____	
	Address _____ City _____ State _____ ZIP _____	
	Lienholder or Secured Party _____ Address _____	
I, seller(s), certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:		<b>Vehicle was sold and delivered on:</b> (Seller MUST record the date.) _____ Month _____ Day _____ Year I, the undersigned, hereby swear or affirm that I am the seller of the motor vehicle described herein and that the information provided in this title reassignment is true and correct to the best of my belief. I am aware that the law provides severe penalties for making false statements under oath.
<input type="checkbox"/> The mileage stated is in excess of the mechanical limits of the odometer. <input type="checkbox"/> The odometer reading is not actual mileage. <b>WARNING-ODOMETER DISCREPANCY.</b>		
ODOMETER READING (No Tenths) _____ I, buyer(s), am aware of the odometer certification made by seller(s).		
Buyer(s) Signature (Authorized Agent, if Dealership) _____ Buyer's Hand Printed Name (Same Person(s) that Signed Above.) _____ PURCHASE PRICE (Retail Sale ONLY) \$ _____		
Seller Signature (Authorized Agent of Dealership) _____ Seller's Hand Printed Name (Same Person(s) that Signed Above.) _____ Dealership's Name (Print or Type) _____ Dealer Number _____		

If application for Kansas title and registration is not made within 30 days of date the vehicle was sold and delivered, penalty and interest will be assessed.  
**Only One Additional Dealer Re-Assignment May be Attached**

**Assessment & Taxation**  
 Date 1-13-05  
 Attachment # 2

KANSAS DEPARTMENT OF REVENUE

DIVISION OF TAXATION

TOPEKA, KANSAS 66625

To: Director of Taxation

The undersigned certifies that on the date indicated below purchase was made of the following described motor vehicle and that the Kansas state and local retail sales tax has not been paid on said vehicle. Said tax is hereby reported.

County Name: SHAWNEE

County Treasurer: WILLIAM E. O'BRIEN

Vehicle Year: 2002    Make: BUIC    I.D. No. 2G4WS52J321117369    Body Style: 4D

Purchased From: DOE JAMES

Address: RR 1

City: OVERLAND PARK State: KS Zip: 66202-

Tax Type: ISOLATED

Purchase Date: 01/02/2005

Registration Date: 01/13/2005

Gross Purchase Price . . . . .	\$2,500.00
Less Trade-In . . . . .	\$ .00
Cash Difference . . . . .	\$2,500.00
Add Transportation Cost . . . . .	\$ .00
Net Purchase Price . . . . .	\$2,500.00
State Sales Tax Amount . . . . .	\$132.50
State Tax Already Paid . . . . .	\$ .00
State Sales Tax Due . . . . .	\$132.50
County Sales Tax Amount . . . . .	\$27.50
County Tax Already Paid . . . . .	\$ .00
County Sales Tax Due . . . . .	\$27.50
City Sales Tax Amount . . . . .	\$28.12
City Tax Already Paid . . . . .	\$ .00
City Sales Tax Due . . . . .	\$28.12
Total Sales Tax Due . . . . .	\$188.12
County Collection Fee . . . . .	\$ .50
Total Amount Due . . . . .	\$188.62

Purchasers'

Signature \_\_\_\_\_

Purchaser: DOE JOHN

Address: 123 ANY STREER

City: TOPEKA

State: KS Zip: 66605-

Transaction No. 106100200501130001

Prepared By: RVT

Receipt No. 1061TX200501130001



TREASURER'S OFFICE

R. Eileen King, CFM, CFE  
County Treasurer

110 Courthouse Plaza  
Manhattan, Kansas 66502-0108  
Phone: 785-537-6320  
Fax: 785-537-6326  
E-mail: eking@co.riley.ks.us  
Website: www.co.riley.ks.us

TO: Assessment & Taxation Interim Committee  
FROM: Eileen King, Riley County Treasurer & Rep of KCTA  
DATE: January 13, 2004<sup>5</sup>  
RE: Sales tax on Private sale of Vehicles

When the legislative post audit report was completed in April of 2003, the Kansas County Treasurers' Association worked with the Department of Revenue to address the concerns. At that time the major focus was on the \$7,000,000 sales tax dollars not remitted to KDOR from some smaller used car dealers. At that time, we discussed the recommendation that County Treasurer's collect the sales tax on all vehicles, like some states do. We felt that we had come to an amicable solution.

The other area discussed was the private sales of vehicles. At that time, we expressed concern over the data regarding the private sales and the relationship to the Fair Market Value of the vehicle sold. At that time we agreed that we could live with the 80% of NADA value, if the Division of Vehicles provided us with the ability to value the vehicle through VIPS (the computerized Vehicle Information Processing System). The resulting legislation was not what we had agreed to.

KCTA strongly supports the repeal of the 2004 legislation. We also feel that it is only fair to those that have been forced to pay sales taxes on an inflated value to get refunds. The key is to have some type of enforcement or follow up on questionable situations. If Treasurer's office employees have the ability to "flag" questionable transactions, then those would be the only ones needing follow up. In the 20 years that I have been Treasurer, I have found that 90% of the people are honest. Therefore, it is only the other 10% that we need to look into.

Thank you for your consideration and I would be happy to answer any questions.

Assessment & Taxation  
Date 1-13-05  
Attachment # 3