

SESSION OF 2009

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2175**

As Recommended by House Committee on  
Taxation

**Brief\***

HB 2175 would amend KSA 2008 Supp. 79-3434 to remove the ability of the Secretary of Revenue to share information from audits or investigations regarding withholding or payroll taxes with the Department of Labor for purposes of determining compliance with regard to worker classification. The bill also would repeal KSA 2008 Supp. 44-766, which provides that no person shall knowingly and intentionally misclassify an employee as an independent contractor for purposes of avoiding state income tax withholding or reporting requirements; or state unemployment insurance contributions reporting requirements.

**Background**

Proponents included Representative Anthony Brown and the Kansas Chamber. Opponents included the Department of Revenue, the Department of Labor, and the Kansas AFL-CIO.

The Department of Revenue's fiscal note said that the bill would be expected to reduce State General Fund receipts as follows:

	(\$ in millions)
FY 2010	(\$3.000)
FY 2011	(\$3.000)
FY 2012	(\$3.000)
FY 2013	(\$3.000)
FY 2014	(\$3.000)
<b>5-Year Total</b>	<b>(\$15.000)</b>

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\*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>