

Revised
SESSION OF 2010

SUPPLEMENTAL NOTE ON SENATE BILL NO. 406

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 406 would impose a \$10 fee for any delinquent taxpayer who enters into an installment payment plan in excess of ninety days from the date of the payment plan agreement. This bill would require the \$10 fee to be remitted to the State Treasurer for deposit in the Recovery Fund for Enforcement Actions and Attorney Fees.

Background

The Department of Revenue testified in support of imposing a \$10 fee on delinquent taxpayers who enter into an installment payment plan in excess of 90 days from the day of the agreement. The Department stated that the proposed \$10 administrative fee for installment pay plans would greatly facilitate and strengthen the Department's tax collection programs. Additionally, the Department expressed concerns over the growing number of people entering into payment plans, which has gone from 15,223 people in 2007 to 33,090 in 2009.

There was no opponent testimony against this bill.

The Senate Committee amended the bill to clarify that the \$10 fee only applies to people entering into an installment payment plan in excess of 90 days.

*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>

The fiscal note prepared by the Division of the Budget on the original bill indicates that the bill would generate \$450,000 of revenue based on the Department of Revenue's estimation that 45,000 taxpayers will apply for installment payment plans for delinquent taxes in FY 2011.

A revised fiscal note received on February 18 indicated the Senate Committee version would be expected to provide \$340,000 in FY 2011 fee revenue.