

SESSION OF 2010

**SUPPLEMENTAL NOTE ON  
SUBSTITUTE FOR HOUSE BILL NO. 2521**

As Amended by House Committee of the Whole

**Brief\***

Sub. for HB 2521 would require persons with local intangibles tax liability to file returns with county clerks in lieu of the Department of Revenue. The Director of Taxation would continue to develop the intangibles tax forms necessary and subsequently provide the forms to county clerks.

Additional language in the bill would authorize the Director of Taxation to require electronic filing of withholding tax forms and sales and use tax returns.

The bill also would authorize the Department of Revenue to provide certain taxpayer-specific information to the State Treasurer for the sole purpose of carrying out the provisions of K.S.A. 58-3934 *et seq.* (the unclaimed property law). Such information would be limited to current and prior addresses of taxpayers or associated persons, defined to include spouses or dependents listed on income tax returns, who may have knowledge as to the location of an owner of unclaimed property.

**Background**

The original bill was requested for introduction and supported by the Department of Revenue, whose representatives testified that budget cuts had accelerated the need for additional electronic-filing initiatives and made it impossible for the state to continue to administer the local

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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>

option intangibles tax. The original bill also contained a number of additional provisions that would have imposed fees under certain circumstances for taxpayers who filed income taxes using paper forms or received refunds via paper remittances; imposed fees for entities which file withholding or sales tax forms via non-electronic means; reduced the threshold (from \$45,000 to \$25,000) of annual liability above which the Department may mandate remittance of sales and withholding taxes; and created a Division of Taxation Processing Fund.

The House Taxation Committee on February 10 voted to remove these latter provisions; and to recommend that a substitute bill be created.

Secretary Wagon indicated during committee discussion that budget cuts already imposed on the Department of Revenue effectively contemplate enactment of the provisions of Sub. for HB 2521, so no additional savings would accrue relative to the Governor's budgetary recommendations for FY 2010 or FY 2011.

The House Committee of the Whole on March 16 added the authorization for the Department of Revenue to share information with the State Treasurer to assist in locating persons for purposes of the unclaimed property law.