

SESSION OF 2012

SUPPLEMENTAL NOTE ON SENATE BILL NO. 371

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 371, as amended, would expand the definition of a retailer doing business in this state for purposes of sales and use tax collection to include those retailers who enter into certain agreements with Kansas residents. Such agreements would include those entered into with one or more residents of Kansas under which the resident, in exchange for some consideration, directly or indirectly refers potential customers from Kansas so long as the cumulative gross receipts stemming from transactions generated by such references exceed \$10,000 during the preceding 12 months.

The bill also would create provisions of law by which retailers could submit proof they do not meet the requirements established in the expanded definition.

Background

The original bill would have provided that any ruling, agreement, or contract between a retailer and the Kansas executive branch concerning a sales and use tax exemption despite the presence of a warehouse or distribution center be null and void unless specifically approved by each house of the Legislature. It also would have provided that any vendor selling or leasing tangible personal property to the state be required to register as a retailer for Kansas sales tax purposes. The Senate committee struck these provisions.

*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 Department of Revenue indicated the original bill would increase state sales and use tax collections by a negligible amount and would require modifications to several sales tax publications at a cost of \$5,250.