

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 266**

As Amended by House Committee on Taxation

**Brief\***

SB 266, as amended, would change the due date for the mineral severance tax return to fall on the same date as the tax remittance. Currently, the mineral severance tax return is due by the end of the month following production, and the tax remittance is due on the twentieth day of the second month following production. With enactment of this bill, both the return and the remittance would be due on the twenty-fifth day of the second month following production. The bill also would make minor changes to the responsibilities of operators and purchasers in remitting due taxes.

**Background**

The Senate Committee on Assessment and Taxation introduced the bill at the request of the Department of Revenue. At the Senate Committee hearing, a representative of the Department explained that passage of the bill would improve efficiency for both the Department and taxpayers. Under the current system, taxpayers often have to estimate the taxes due on the returns and then must send in corrected returns once all information is available. A representative of the Kansas Independent Oil and Gas Association also provided supporting testimony.

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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>

The House Taxation Committee amended the bill to decelerate the filing dates of both the return and the tax due by an additional five days. According to the Department of Revenue, this provision would result in a reduction of SGF severance tax receipts in FY 2015 of \$0.75 million.

The Senate-passed version of the bill had no fiscal impact.