

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2488** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 1, by striking all in lines 6 through 34;

By striking all on pages 2 and 3;

On page 4, by striking all in lines 1 through 23; following line 23 by inserting:

"Section 1. (a) Unlawful acts involving an automated sales suppression device is knowingly selling, purchasing, installing, transferring, manufacturing, creating, designing, updating, repairing, using or possessing an automated sales suppression device, zapper or phantom-ware.

(b) Unlawful acts involving an automated sales suppression device is a severity level 7, nonperson felony.

(c) In addition to any other criminal penalties provided by law, any person convicted of unlawful acts involving an automated sales suppression device may be liable for all taxes, interest and penalties due the state as a result of such unlawful acts.

(d) As used in this section:

(1) "Automated sales suppression device" or "zapper" means a computer software program, carried on a memory stick or removable compact disc, accessed through an internet link or accessed through any other means that falsifies the electronic records of electronic cash registers and other point-of-sale systems, including, but not limited to, transaction data and

transaction reports;

(2) "electronic cash register" means a device that keeps a register or supporting documents through the means of an electronic device or computer system designed to record transaction data in any manner;

(3) "phantom-ware" means a hidden, pre-installed or installed at a later time programming option embedded in the operating system of an electronic cash register or hardwired into the electronic cash register that can be used to create a virtual second till or may eliminate or manipulate transaction records that may or may not be preserved in digital formats to represent the true or manipulated record of transactions in the electronic cash register;

(4) "transaction data" includes, but is not limited to:

(A) Items purchased by a customer;

(B) the price for each item;

(C) a taxability determination for each item;

(D) a segregated tax amount for each of the taxed items;

(E) the amount of cash or credit tendered;

(F) the net amount returned to the customer in change;

(G) the date and time of the purchase;

(H) the name, address and identification number of the vendor; and

(I) the receipt or invoice number of the transaction; and

(5) "transaction report" means a report including, but not limited to, the sales, taxes collected, media totals and discount voids at an electronic cash register that is printed on cash register tape at the end of a day or shift, or a report documenting every action at an electronic

cash register that is stored electronically.

(e) This section shall be part of and supplemental to the Kansas criminal code."

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in line 2; in line 3, by striking "section" and inserting "crimes, punishment and criminal procedure; creating the crime of unlawful acts involving an automated sales suppression device; sales and use tax";

And your committee on conference recommends the adoption of this report.

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Conferees on part of Senate

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Conferees on part of House