

SESSION OF 2017

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2162

As Amended by House Committee on Taxation

Brief*

HB 2162, as amended, would increase the threshold filing amounts for retailers to submit sales taxes to the Department of Revenue. The bill would increase the threshold amounts from \$80 to \$400 for annual filing; from \$3,200 to \$4,000 for quarterly filings; and from \$32,000 to \$40,000 for monthly filings. Amounts greater than \$40,000 would be filed on a prepaid monthly basis. The bill would not affect the time periods for which sales tax returns are filed.

The bill would take effect on January 1, 2018.

Background

During the hearing before the House Committee on Taxation, an individual and representatives from the Kansas Chamber, the National Federation of Independent Businesses, and the Lenexa Chamber of Commerce spoke in support of the bill, stating the change in the upper threshold amount would relieve the reporting burden placed on businesses who serve as collection agents for sales tax revenue. There was no opponent or neutral testimony.

On March 7, the House Committee amended the bill to increase the threshold amounts for annual and quarterly filings. The Committee also changed the effective date from July 1, 2017, to January 1, 2018.

*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 latest fiscal information provided by the Department of Revenue indicated the amended version of the bill would reduce sales tax receipts in FY 2018 by \$3.2 million. Of this amount, \$2.683 million would be attributable to a reduction in State General Fund receipts; and \$0.517 million would be attributable to a reduction in State Highway Fund receipts.