

SESSION OF 2017

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 111**

As Amended by Senate Committee on  
Assessment and Taxation

**Brief\***

SB 111, as amended, would revise the Kansas Retailers' Sales Tax Act by requiring retailers that do not collect Kansas sales and use taxes to notify Kansas purchasers that sales and use tax is due on all purchases made from the retailer that are not exempt from sales tax. The notice would be provided with each transaction between the retailer and the purchaser.

Failure to provide the applicable notice to purchasers could result in a penalty, which could be equal to \$10 times the number of purchasers covered by the bill. The Director of Taxation would have the discretion to waive all or a portion of the penalty for a reasonable cause shown. Retailers with less than \$50,000 in total gross sales in Kansas would be exempt from the bill. Retailers would not be required to send annual notices to Kansas purchasers if their total amount of purchases would be less than \$200. The Secretary of Revenue would have the discretionary authority to adopt rules and regulations to implement the provisions of the bill.

**Background**

The bill was introduced by the Senate Committee on Assessment and Taxation. In the Senate Committee hearing, proponent testimony was provided by the the Kansas Association of Counties, the League of Kansas Municipalities, and the cities of Lawrence, Manhattan, and Overland Park.

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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>

Neutral testimony was provided by the Department of Revenue (Department). Opponent testimony was provided by Americans for Prosperity–Kansas.

The Senate Committee amended the bill to specify the provisions of the legislation would be made part of the Kansas Retailers' Sales Tax Act and to eliminate a provision of the bill which would have required out-of-state retailers to inform the Department of relevant purchases.

A fiscal note on the amended bill was not immediately available.