

## HOUSE BILL No. 2314

By Committee on Taxation

2-10

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1 AN ACT concerning sales taxation; relating to payment of tax by retailers;  
2 time of payment for retailers collecting a certain amount of sales tax  
3 and discontinuing the pre-payment of such tax; amending K.S.A. 79-  
4 3607 and repealing the existing section.  
5

6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 79-3607 is hereby amended to read as follows: 79-  
8 3607. (a) Retailers shall make returns to the director at the times  
9 prescribed by this section in the manner prescribed by the director,  
10 including electronic filing, upon forms or format prescribed by the director  
11 stating: (1) The name and address of the retailer; (2) the total amount of  
12 gross sales of all tangible personal property and taxable services rendered  
13 by the retailer during the period for which the return is made; (3) the total  
14 amount received during the period for which the return is made on charge  
15 and time sales of tangible personal property made and taxable services  
16 rendered prior to the period for which the return is made; (4) deductions  
17 allowed by law from such total amount of gross sales and from total  
18 amount received during the period for which the return is made on such  
19 charge and time sales; (5) receipts during the period for which the return is  
20 made from the total amount of sales of tangible personal property and  
21 taxable services rendered during such period in the course of such  
22 business, after deductions allowed by law have been made; (6) receipts  
23 during the period for which the return is made from charge and time sales  
24 of tangible personal property made and taxable services rendered prior to  
25 such period in the course of such business, after deductions allowed by law  
26 have been made; (7) gross receipts during the period for which the return  
27 is made from sales of tangible personal property and taxable services  
28 rendered in the course of such business upon the basis of which the tax is  
29 imposed. The return shall include such other pertinent information as the  
30 director may require. In making such return, the retailer shall determine  
31 the market value of any consideration, other than money, received in  
32 connection with the sale of any tangible personal property in the course of  
33 the business and shall include such value in the return. Such value shall be  
34 subject to review and revision by the director as hereinafter provided.  
35 Refunds made by the retailer during the period for which the return is  
36 made on account of tangible personal property returned to the retailer shall

1 be allowed as a deduction under paragraph (4) ~~of this section~~ in case the  
2 retailer has theretofore included the receipts from such sale in a return  
3 made by such retailer and paid taxes therein imposed by this act. The  
4 retailer shall, at the time of making such return, pay to the director the  
5 amount of tax herein imposed, except as otherwise provided in this  
6 section. The director may extend the time for making returns and paying  
7 the tax required by this act for any period not to exceed 60 days under such  
8 rules and regulations as the secretary of revenue may prescribe.

9 (b) (1) When the total tax for which any retailer is liable under this  
10 act, does not exceed the sum of \$400 in any calendar year, the retailer shall  
11 file an annual return on or before January 25 of the following year.

12 (2) When the total tax liability does not exceed \$4,000 in any  
13 calendar year, the retailer shall file returns quarterly on or before the 25<sup>th</sup>  
14 day of the month following the end of each calendar quarter.

15 (3) When the total tax liability exceeds \$4,000 in any calendar year,  
16 the retailer shall file a return for each month on or before the 25<sup>th</sup> day of  
17 the following month. ~~When the total tax liability exceeds \$40,000 in any~~  
18 ~~calendar year,~~

19 (4) (A) The retailer shall be required to pay the sales tax liability for  
20 the first 15 days of each month to the director on or before the 25<sup>th</sup> day of  
21 that month *when the total tax liability exceeds:*

22 (i) \$40,000 in any calendar year prior to January 1, 2022; or

23 (ii) \$2,500,000 in the calendar year commencing on January 1, 2022,  
24 and ending prior to January 1, 2023.

25 (B) Any such payment shall accompany the return filed for the  
26 preceding month. A retailer will be considered to have complied with the  
27 requirements to pay the first 15 days' liability for any month if, on or  
28 before the 25<sup>th</sup> day of that month, the retailer paid 90% of the liability for  
29 that ~~fifteen-day~~ 15-day period, or 50% of such retailer's liability in the  
30 immediate preceding calendar year for the same month as the month in  
31 which the ~~fifteen-day~~ 15-day period occurs computed at the rate applicable  
32 in the month in which the ~~fifteen-day~~ 15-day period occurs, and, in either  
33 case, paid any underpayment with the payment required on or before the  
34 25<sup>th</sup> day of the following month. Such retailers shall pay their sales tax  
35 liabilities for the remainder of each such month at the time of filing the  
36 return for such month.

37 (C) *On and after January 1, 2023, the provisions of this paragraph*  
38 *shall have no effect.*

39 (5) Determinations of amounts of liability in a calendar year for  
40 purposes of determining filing requirements shall be made by the director  
41 upon the basis of amounts of liability by those retailers during the  
42 preceding calendar year or by estimates in cases of retailers having no  
43 previous sales tax histories. The director is hereby authorized to modify

1 the filing schedule for any retailer when it is apparent that the original  
2 determination was inaccurate.

3 ~~(b)(c)~~ All model 1, model 2 and model 3 sellers are required to file  
4 returns electronically. Any model 1, model 2 or model 3 seller may submit  
5 its sales and use tax returns in a simplified format approved by the  
6 director. Any seller that is registered under the agreement, ~~which~~ *that* does  
7 not have a legal requirement to register in this state, and is not a model 1,  
8 model 2 or model 3 seller, may submit its sales and use tax returns as  
9 follows:

10 (1) Upon registration, the director shall provide to the seller the  
11 returns required;

12 (2) seller shall file a return anytime within one year of the month of  
13 initial registration, and future returns are required on an annual basis in  
14 succeeding years; and

15 (3) in addition to the returns required in subsection ~~(b)(c)~~(2), sellers  
16 are required to submit returns in the month following any month in which  
17 they have accumulated state and local sales tax funds for this state in the  
18 amount of \$1,600 or more.

19 Sec. 2. K.S.A. 79-3607 is hereby repealed.

20 Sec. 3. This act shall take effect and be in force from and after its  
21 publication in the statute book.