

## HOUSE BILL No. 2583

By Committee on Taxation

2-1

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1 AN ACT concerning taxation; relating to the taxation of electronic  
2 cigarettes, surcharge for the privilege of selling electronic cigarettes;  
3 repealing K.S.A. 2015 Supp. 79-3399.  
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. (a) There is hereby imposed a surcharge in the form of a  
7 gross receipts tax for the privilege of engaging in the business of selling  
8 electronic cigarettes in this state. The tax shall be at a rate of 3.5% of the  
9 gross receipts from selling electronic cigarettes. The tax shall be paid by  
10 the consumer to the retailer and it shall be the duty of the retailer to collect  
11 from the consumer the full amount of the tax imposed or an amount as  
12 nearly as possible or practicable to the average thereof. For the purposes of  
13 this section, the term "electronic cigarette" shall have the same meaning as  
14 prescribed in K.S.A. 79-3301, and amendments thereto.

15 (b) The tax imposed by this section shall be in addition to all other  
16 state and local sales or excise taxes.

17 (c) The secretary of revenue shall remit the taxes paid under this  
18 section to the state treasurer in accordance with the provisions of K.S.A.  
19 75-4215, and amendments thereto. Upon receipt of each such remittance,  
20 the state treasurer shall deposit the entire amount in the state treasury to  
21 the credit of the state general fund. For the purposes of this section, the  
22 proceeds of the tax shall include all funds collected and received by the  
23 director of taxation pursuant to this section, including interest and  
24 penalties on delinquent taxes.

25 (d) Every retailer liable for the payment of taxes imposed by this  
26 section shall report the taxes for the same periods and at the same time as  
27 the returns that the retailer files under the Kansas retailers' sales tax act, as  
28 prescribed by K.S.A. 79-3607, and amendments thereto. Each retailer shall  
29 report the tax imposed by this section on a form prescribed by the  
30 secretary of revenue.

31 (e) All taxes imposed by this section and not paid at or before the  
32 time taxes are due from the retailer under the Kansas retailers' sales tax act  
33 shall be deemed delinquent and shall bear interest at the rate prescribed by  
34 K.S.A. 79-2968(a), and amendments thereto, from the due date until paid.  
35 In addition, there is hereby imposed upon all amounts of such taxes  
36 remaining due and unpaid after the due date a penalty on the unpaid

1 balance of the taxes due in the amounts and percentages prescribed by  
2 K.S.A. 79-3615, and amendments thereto.

3 (f) Whenever any taxpayer or person liable to pay tax imposed by this  
4 section refuses or neglects to pay the tax, the amount of the tax, including  
5 any interest or penalty, shall be collected in the manner provided by law  
6 for collection of delinquent taxes under the Kansas retailers' sales tax act.

7 (g) Insofar as not inconsistent with this section, the provisions of the  
8 Kansas retailers' sales tax act shall apply to the tax imposed by this  
9 section.

10 (h) The secretary of revenue is hereby authorized to administer and  
11 enforce the provisions of this section and shall adopt such rules and  
12 regulations as may be necessary to carry out the responsibilities of the  
13 secretary of revenue under this section.

14 Sec. 2. K.S.A. 2015 Supp. 79-3399 is hereby repealed.

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