

February 13, 2017

The Honorable Steven Johnson, Chairperson
House Committee on Taxation
Statehouse, Room 185-N
Topeka, Kansas 66612

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2162 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2162 is respectfully submitted to your committee.

Under current law, retailers that have total sales tax liability of at least \$32,000 in any calendar year are required to prepay the first 15 calendar days of tax liability when paying their monthly sales taxes to the Department of Revenue. HB 2162 would change the sales tax filing threshold to \$40,000 per calendar year.

The Department of Revenue estimates that HB 2162 would have no fiscal effect on state or local sales tax revenues. The bill would move some filers from the prepaid monthly filing frequency to the monthly filing frequency. This may cause a one-time decrease in sales tax revenue when the change occurs, but the filer will still be paying the same amount of sales tax. Filing frequencies are reviewed each October. Since the change occurs in the middle of a fiscal year, the changes are not expected to impact annual sales tax receipts.

The Department of Revenue indicates that the bill would require \$19,288 from the State General Fund in FY 2018 to update forms and publications, change the filing frequency for certain retailers covered by this new filing threshold, and to notify specific retailers of this change. Any fiscal effect associated with HB 2162 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Jack Smith, Department of Revenue