

January 20, 2017

The Honorable Caryn Tyson, Chairperson
Senate Committee on Assessment and Taxation
Statehouse, Room 123-E
Topeka, Kansas 66612

Dear Senator Tyson:

SUBJECT: Fiscal Note for SB 28 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 28 is respectfully submitted to your committee.

SB 28 would move up the annual due date for filing annual withholding returns to the Department of Revenue on forms W-2, 1099, and KW-3 from the last day of February to January 31 of each year. The change would allow Kansas to coincide with the due dates of the federal government.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	\$50,772	\$50,772	--	--
FTE Pos.	--	--	--	--

The Department of Revenue indicates SB 28 would have no fiscal effect on state revenues. The bill has the potential to increase the efficiency of processing tax returns and having the annual withholding return data early in the tax filing season has the potential to reduce the number of fraudulent refunds that are issued.

The Department indicates that the bill would require \$50,772 from the State General Fund in FY 2018 to implement the bill and to modify the automated tax system. The required programming for this bill by itself would be performed by existing staff of the Department of

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Revenue. However, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with SB 28 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Jack Smith, Department of Revenue