

KANSAS OFFICE of  
**REVISOR of STATUTES**

LEGISLATURE of THE STATE of KANSAS  
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300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

**MEMORANDUM**

To: Madam Chair and Members of the Special Committee on Economic Recovery

From: Adam Siebers, Assistant Revisor

Date: November 16, 2020

Subject: 2020 House Bill No. 2702

**Summary**

**Sections 1 – 6** would enact the Kansas Taxpayer Protection Act relating to actions of paid tax return preparers who assist taxpayers filing income tax returns or refund claims in Kansas. The Act requires paid tax return preparers to include on any income tax return or claim for refund: (1) a signature of the paid tax return preparer; and (2) the preparer's federal internal revenue service preparer tax identification number. The Act also imposes a civil penalty of \$50 on a paid tax return preparer who fails to do so and authorizes the Secretary of Revenue to bring actions to enjoin paid tax return preparers from engaging in prohibited conduct.

**Sections 7 – 9** would have extended the deadline to file state tax returns from April 15<sup>th</sup> until July 15<sup>th</sup> for filing the 2019 tax year returns in calendar year 2020.

**Sections 10 and 13** requires the county to provide certain tax information and hearings if the county intends to exceed the revenue neutral rate.

The county clerk before June 15 of each year would be required to calculate the revenue neutral rate for each taxing subdivision.

If the governing body of any taxing subdivision seeks to levy a rate in excess of the revenue neutral rate, the taxing subdivision shall publish notice of its intended rate on the website at least 10 days before a public hearing. Before July 15<sup>th</sup>, the governing body must inform the county clerk of its intent to exceed the revenue neutral rate. The county clerk shall then notify each taxpayer with property in the taxing subdivision of such intent. The costs for the notice shall be borne by the taxing subdivision and the county clerk may consolidate the required information for all taxing subdivisions relevant to the taxpayer's property on one notice. The notice is required to include: (1) the revenue neutral rate, (2) the proposed property tax revenue needed to fund the proposed budget, (3) the proposed rate based on the proposed budget and the current year's total assessed valuation, (4) the tax rate and property tax of the taxing subdivision on the taxpayer's property from the previous year, (5) the proposed percent change in the tax rate between the prior year and the proposed rate for the current year, (6) the appraised value and assessed value of the taxpayer's property for the current year, (7) the estimates of the tax for the current year on the taxpayer's

property based on the revenue neutral rate and the proposed rate, and (8) the date, time and location of the public hearing.

The public hearing is required to be held on or before September 10<sup>th</sup>. The hearing may be held in conjunction with the proposed budget hearing.

A majority vote of the governing body is required for the adoption of the resolution or ordinance approving the rate of tax exceeding the revenue neutral rate

If a governing body fails to comply with the notice and hearing procedures, the governing body is required to refund any taxes collected above the revenue neutral rate to the taxpayers.

School districts are exempt from these requirements.

“Revenue neutral rate” is defined as the tax rate for the current tax year that would generate the same property tax revenue from the prior year using the current tax year’s total assessed valuation.

**Sections 11, 14 and 15** prohibited interest from accruing on 2019 unpaid property taxes during a portion of the 2020 calendar year. The unpaid taxes would not be considered delinquent and no costs would be assessed if the unpaid taxes were paid prior to August 10<sup>th</sup>. Additionally, the timeline for the production of the list of property subject to sale would be adjusted correspondingly for calendar year 2020 only. The county was allowed the discretion to refund, retain or credit any costs incurred up to \$25 that occurred prior to the enactment of the legislation.

**Section 12** prohibits increases in appraised valuation of real property as a result from normal repair, replacement or maintenance of existing structures, equipment or improvements on the property.

**Section 16** provides that the current city and county tax lid would be discontinued commencing January 1, 2021.

**Section 17** would allow a county treasurer to establish a payment plan for delinquent or nondelinquent property taxes.