

SESSION OF 2014

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2557

As Recommended by House Committee on
Taxation

Brief*

HB 2557 would exempt from a 50 percent underpayment of liability penalty provided under current law certain income taxpayers who timely pay (generally within 30 days) any tax assessed pursuant to adjustments made by the Director of Taxation. In order to qualify for this exemption, taxpayers must have previously paid in full the amount of tax due as stated on the original returns.

Background

Proponents, including representatives of the Kansas Society of CPAs and the Kansas Chapter of National Association Tax Professionals, said that the bill would help relieve burdensome penalties sometimes levied on taxpayers who have filed incorrect returns.

A fiscal note provided by the Department of Revenue indicated the bill would be expected to reduce State General Fund receipts as follows:

(\$ in millions)	
FY 2015	\$ (0.500)
FY 2016	(0.500)
FY 2017	(0.500)
FY 2018	(0.500)
FY 2019	(0.500)
5-year total	\$ (2.500)

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The fiscal note also stated the Department of Revenue expected to incur an additional \$156,700 in FY 2015 administrative costs necessary to implement the provisions of the bill.