

SESSION OF 2022

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 463**

As Recommended by Senate Committee on  
Assessment and Taxation

**Brief\***

SB 463 would create a credit to be applied to each remittance of sales and compensating use tax by a retailer. The credit would be equal to 1.5 percent of each remittance and limited to \$300 per month for each retailer.

Retailers filing a consolidated return of sales and compensating use tax as of January 1, 2022, would be limited to \$300 per month in credit even if they cease filing a consolidated return after that date.

**Background**

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Tyson.

In the Senate Committee hearing, **proponent** testimony was provided by representatives of the Kansas Automobile Dealers Association and the Kansas Restaurant and Hospitality Association. Proponents stated the bill would allow businesses to be compensated for collecting the state and local sales and compensating use tax. Written-only proponent testimony was provided by representatives of Fuel True; Hemslojd, Inc.; the Kansas Agribusiness Retailers Association; Kansas Chamber of Commerce; Kansas Grain and Feed Association; National Federation of Independent Business-Kansas; and Olathe Chamber of Commerce.

No other testimony was provided.

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\*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 Senate Committee recommended the bill be placed on the Consent Calendar.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Revenue estimates enactment of the bill would reduce sales and compensating use tax collections by \$50.3 million in FY 2023 and by similar amounts in future fiscal years. Any fiscal effect associated with the bill is not reflected in *The FY 2023 Governor's Budget Report*.

Taxation; sales tax; remittance credit