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300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

MEMORANDUM

To: Chairman Carpenter and members of the Social Services Budget Committee
From: Zach Fridell, Assistant Revisor of Statutes
Date: 3/18/19
Subject: HB 2235, Tax clearance certificate requirements

House Bill 2235 would clarify the tax clearance process so that applicants to state jobs would not be required to obtain a clearance certificate during the application process but would be required if they are hired by an executive branch agency. If necessary, the employee would be required to enter into and remain current on a payment plan as a term of continued employment.

The tax clearance process was established in Executive Order 04-03, enacted by Governor Sebelius on April 7, 2004 (attached). It requires any individual who accepts employment with an executive branch agency to cooperate with the Department of Revenue to complete a tax clearance process to ensure they are current and compliant with Kansas tax laws.

This bill in subsection (a) states that applicants are not required to obtain tax clearance as part of an employment application. Once an individual is hired by an executive branch agency, subsection (b) would require that the employee apply for a tax clearance certificate within 15 days. That clearance would review whether the employee is current and compliant with all Kansas tax laws administered by the department of revenue; taxes, fees or payments administered by the department of labor; and other various fees or charges administered by any other state agency.

Subsection (c) states that all documents, material or information obtained as part of this process will be confidential and not subject to the Kansas open records act (KORA). Because of requirements in KORA, this subsection will expire in 2024 and would need to be renewed by the legislature at that time.

Subsection (d) states that if an employee cannot be "cleared" by the process, they shall enter a payment plan and remain current on such plan as a condition of continued employment.

The bill would go into effect on July 1, 2019.