

February 27, 2020

The Honorable Steven Johnson, Chairperson  
House Committee on Taxation  
Statehouse, Room 185A-N  
Topeka, Kansas 66612

Dear Representative Johnson:

**SUBJECT:** Fiscal Note for HB 2726 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2726 is respectfully submitted to your committee.

Under current law, corporate tax returns are required to be filed on April 15th of each year. HB 2726 would allow corporate tax returns to be filed no later than one month after the federal filing deadline set by the federal Internal Revenue Service. Corporate taxpayers would not be charged any penalties or be required to file an extension if the state return is filed within 30 days after the new federal deadline set by the IRS. The bill would be effective starting in tax year 2019.

The Department of Revenue indicates passage of HB 2726 has the potential to decrease State General Fund revenue by extending the corporate tax return filing deadline and waiving certain penalties. The Department indicates that the reduction of State General Fund revenue is estimated to be negligible.

The Department indicates that the bill would require \$13,710 from the State General Fund in FY 2021 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 Revenue. In addition, 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 HB 2726 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell  
Director of the Budget

cc: Lynn Robinson, Department of Revenue