

SESSION OF 2007

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 347**

As Amended by House Committee on  
Taxation

**Brief\***

SB 347, as amended, would relax an electronic-filing requirement for employers reporting income tax withholding information (W-2 forms) for 51 or more employees such that it would only apply to employers reporting the information for 250 or more employees.

Additional language would authorize the Secretary of Revenue to waive the electronic-filing requirement for certain employers upon a finding of hardship.

**Background**

The requirement for employers to file W-2 forms electronically when reporting the information for 51 or more employees was enacted in 2006. The Department of Revenue indicated at that time that receiving such information electronically was an important component of its tax discovery program.

Senator Wagle appeared as the principal proponent for the original bill, which would have relaxed the electronic-filing requirement such that it only applied to employers filing W-2 forms for 100 or more employees. Other proponents included the National Federation of Independent Business; the Wichita Independent Business Association; the Kansas Chamber; and the Kansas Livestock Association. At the hearing, Senator Wagle subsequently suggested relaxing the electronic-filing

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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>

requirement such that it only applied to employers filing W-2 forms for 250 or more employees.

The Senate Assessment and Taxation Committee amended the bill to authorize the Secretary of Revenue, upon a finding of hardship, to waive the electronic-filing requirement for certain employers.

The Senate Committee of the Whole amended the bill to remove the Senate Assessment and Taxation Committee amendment and instead set the threshold for the electronic-filing requirement at 250 employees, the same threshold utilized by the federal government.

The House Taxation Committee reinserted the hardship-waiver provision.