

SESSION OF 2002

SUPPLEMENTAL NOTE ON SENATE BILL NO. 413

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 413, as amended, would provide statutory authority for the Department of Revenue to setoff a taxpayer's liability for one type of tax against the taxpayer's overpayment of another type of tax. The bill would expressly provide that overpayments of estimated income tax will first be applied to any other tax liability, with the balance remaining available for refund or credit.

The bill also amends certain statutes to replace references to the "Director of Revenue" with the "Secretary," reflecting the current organizational structure of the Department of Revenue.

Background

The Senate Committee held a hearing on SB 413, at which time a representative of the Kansas Department of Revenue testified in favor of the bill. He explained to the Committee that the Department has a common law right of setoff which allows it to apply a taxpayer's liability for one tax-type against the taxpayer's refund for another tax-type. SB 413 would codify this common law right.

The Senate Committee's amendment was technical in nature.

The Division of the Budget reports that SB 413 would not affect State General Fund revenues or expenditures and any administrative costs resulting from passage of SB 413 would be absorbed within existing resources.

*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.accesskansas.org/legislature/>