

Kansas Administrative Regulations Economic Impact Statement (EIS)

Kansas Department of Revenue
Agency

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Agency Contact

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Contact Phone Number

92-20-1, 92-20-2a, 92-20-5, 92-20-6, 92-20-8, 92-20-9, 92-20-12,
and 92-20-14
K.A.R. Number(s)

☒ Permanent ☐ Temporary

Is/Are the proposed rule(s) and regulation(s) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program?

- ☐ Yes If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.
- ☒ No If no, do the total annual implementation and compliance costs for the proposed rule(s) and regulation(s), calculated from the effective date of the rule(s) and regulation(s), exceed \$1.0 million or more in implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governmental units and individuals as a result of the proposed rule and regulation over the initial five-year period following adoption of such rule(s) and regulation(s) (as calculated in Section III, F)?
- ☐ Yes If “Yes,” then the agency shall not adopt the rule(s) and regulation(s) until the rule(s) and regulation(s) has been ratified by the Legislature with a bill, unless the proposed rule(s) and regulation(s) are: 1) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program, as described in K.S.A. 77-416(b)(1)(B), and amendments thereto; 2) temporary rule(s) and regulation(s) adopted pursuant to K.S.A. 77-722, and amendments thereto; or 3) rules and regulations adopted pursuant to K.S.A. 2-3710 (Kansas Agricultural Remediation Board). Continue to fill out the remaining EIS form to be included with the regulation packet in the review process to the Department of Administration and the Attorney General. The submitted EIS will be independently analyzed by the Division of the Budget for approval.
- ☒ No If no, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. The submitted EIS will be analyzed by the Division of the Budget for approval.

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Section I

Analysis, brief description, and cost and benefit quantification of the proposed rule(s) and regulation(s). If the approach chosen by the Kansas agency to address the policy issue is different from that utilized by agencies of contiguous states or of the federal government, the economic impact statement shall include an explanation of why the Kansas agency's rule and regulation differs.

The Department proposes revoking eight use tax regulations.

- The effective portions of K.A.R. 92-20-1, 92-20-2a, 92-20-5, 92-20-6, 92-20-12, and 92-20-14 merely duplicate existing statute. Where these regulations do not duplicate statute, the additional material is not necessary and/or is out of date.
- K.A.R. 92-20-8 contains rules for “delivery” that have been eclipsed by the Streamlined Sales and Use Tax Agreement and the associated legislative changes.
- K.A.R. 92-20-9, which outlines a retailer’s application for a certificate of use tax registration, is not up to date with the current application requirements. The Department of Revenue has other, more up to date authority to require pertinent information from applicants. The actual registration process generally mirrors the registration process for collecting Retailers’ Sales Tax.

Revoking these regulations will remove unnecessary or redundant regulations. Clear and concise regulations benefit Kansas taxpayers.

Section II

Explain whether the proposed rule and regulation is mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program and whether the proposed rules and regulations exceed the requirements of applicable federal law.

These regulations are not mandated by federal law.

Section III

Agency analysis specifically addressing the following:

- A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

No effect on business activities and growth based on these revocations.

- B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that will be affected by the proposed rule(s) and regulation(s) and on the state economy as a whole;

No economic effect based on these revocations.

- C. Businesses that would be directly affected by the proposed rule(s) and regulation(s);

No businesses will be directly affected by revoking these regulations.

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D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

Revoking these regulations will benefit taxpayers by making the Department of Revenue's regulations clearer and more concise. There is no anticipated cost to taxpayers.

E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

Because revoking these regulations is estimated to have \$0 annual cost, no measures were taken to minimize the cost and impact on businesses and economic development, local government, and individuals.

F. An estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governments, or individuals. *Note: Do not account for any actual or estimated cost savings that may be realized. Implementation and compliance costs determined shall be those additional costs reasonably expected to be incurred and shall be separately identified for the affected businesses, local governmental units, and individuals.*

Costs to Affected Businesses – \$0.00

Costs to Local Governmental Units – \$0.00

Costs to Individuals – \$0.00

Total Annual Costs – \$0.00

(sum of above amounts)

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

Revoking these regulations has no anticipated economic effect. In the Department's opinion, the content of these regulations either merely duplicates existing statute or is no longer necessary to effectively administer state law.

- ☐ Yes If the total implementation and compliance costs exceed \$1.0 million or more in implementation and compliance costs over the initial five-year period following adoption of such rule(s) and regulation(s) that are reasonably expected to be incurred by or passed along to businesses, local governmental units and individuals as a result of the proposed rule and regulation, did the agency hold a public hearing to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.
- ☐ No
- ☒ Not Applicable

N/A

Provide an estimate to any changes in aggregate state revenues and expenditures for the implementation of the proposed rule(s) and regulation(s), for both the current fiscal year and next fiscal year.

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Revoking these regulations is estimated to result in no changes to aggregate state revenues or expenditures for both the current fiscal year and next fiscal year.

Provide an estimate of any immediate or long-range economic impact of the proposed rule(s) and regulation(s) on any individual(s), small employers, and the general public. If no dollar estimate can be given for any individual(s), small employers, and the general public, give specific reasons why no estimate is possible.

Revoking these regulations will have no economic impact on any individuals, small employers, or the general public.

- G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

Because revoking these regulations will result in no changes to revenues of cities, counties or school districts and impose no additional functions or responsibilities on cities, counties or school districts, the Department of Revenue did not consult with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

- H. Describe how the agency consulted and solicited information from businesses, business associations, local governmental units, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s) or may provide relevant information.

Because revoking these regulations is estimated to have \$0 annual cost, no businesses, business associations, local governmental units, state agencies, institutions, or members of the public were consulted.

Section IV

Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

- ☐ Yes If yes, complete the remainder of Section IV.
☒ No If no, skip the remainder of Section IV.

- A. Describe the capital and annual costs of compliance with the proposed rule(s) and regulation(s), and the individuals or entities who would bear the costs.

N/A

- B. Describe the initial and annual costs of implementing and enforcing the proposed rule(s) and regulation(s), including the estimated amount of paperwork, and the state agencies, other governmental agencies, or other individuals who will bear the costs.

N/A

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- C. Describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, the individuals or entities who will bear the costs and who will be affected by the failure to adopt the rule(s) and regulation(s).

N/A

- D. Provide a detailed statement of the data and methodology used in estimating the costs used.

N/A

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