**Memorandum**

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| **Identifying Information:** | **Policy Council Determination Memorandum** |

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| **Tax Type:** | **Corporate Income Tax; Bingo; Cereal Malt Beverages and Malt Products; Cigarette and Tobacco Products; Dry Cleaning Environmental Surcharge; Dry Cleaning Solvent Fee; Individual Income Tax; Inheritance Tax; Intoxicating Liquors and Beverages; Kansas Compensating Tax; Kansas Retailers' Sales Tax; Liquor Drink Tax; Liquor Enforcement Tax; Mineral Severance Tax; Motor Vehicle Fuel Tax; Privilege; Special Fuel Tax; Tire Tax; Transient Guest Tax; Vehicles Rental Excise Tax; Withholding and Declaration of Estimated Tax** |
| **Brief Description:** | **Application of Payments to Past Due Accounts** |
| **Keywords:** |  |

**Body:**

**Policy Council Determination Memorandum**

From: Shirley Sicilian, Director  
Office of Policy and Research  
  
Date: September 9, 1997  
  
RE: Policy Change - Application of Payments to Past Due Accounts  
  
  
On August 27, 1997, the Policy Council met to determine a policy change regarding the application of payments to past due accounts. The change is set out below. Please advise all associates of this change.  
  
**Issue:**  
  
Should the application of payments to past due accounts be applied to tax liability first, interest second, and penalty last?  
  
**Policy Council Decision:**  
  
The Policy Council has determined that effective with the implementation of the new integrated tax system, the application of payments to past due accounts will be assigned to tax liability first, interest second, and penalty last. Current programs will not be changed.  
  
**Reason for Policy Change:**  
  
The number one reason to change the policy on application of past due payments is to bring Kansas more in line with its neighboring states and the IRS. The states surrounding Kansas and the IRS all apply payments to tax liability first and then to interest and penalty.  
  
  
**Date Composed: 02/10/1998 Date Modified: 10/09/2001**