

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:36 p.m. on March 3, 2011, in Room 783 of the Docking State Office Building.

All members were present except:  
Representative Powell-excused

Committee staff present:  
Gordon Self, Office of the Revisor of Statutes  
Scott Wells, Office of the Revisor of Statutes  
Chris Courtwright, Kansas Legislative Research Department  
Michael Wales, Kansas Legislative Research Department  
Pat Bisel, Office Assistant  
June Christensen, Committee Assistant, pro tem

There were no conferees appearing before the Committee.

Others attending:  
See attached list.

Bill Introductions:

Representative Schwab made a motion, seconded by Representative Callaway, to introduce a bill that the revenue estimating group cannot count outstanding tax credits that are coming in the current fiscal year. The motion carried.

Chairman Carlson announced that **HB 2051, business and job development carry forward credits under Kansas income tax credits**, would not be worked today. The two other scheduled bills, **HB 2091, Decreasing rate of sales and compensating use tax**, and **HB 2060, establishing the simplified state tax structure committee**, will be.

Chairman Carlson opened discussion to reconsider **HB 2161-retailers may choose place of business sourcing or destination sourcing as method to determine sites of taxable transactions for sales tax purposes**

Representative Schwab moved to pass favorably **HB 2161**, as amended. Representative Frownfelter seconded the motion.

Chris Courtwright, Legislative Research Department, briefed the Committee on the amendments. Richard Cram, Kansas Department of Revenue, suggested that adding "irrevocable," to the bill would clarify this as well as a beginning implementation date. It was also suggested that further language "to attain association status," be added.

Representative Schwab, maker of the motion, and Representative Frownfelter, who seconded the motion, accepted the proposed changes, and to make it origin sourcing only. The substitute motion passed as amended.

Representative Schwab moved to pass favorably House Substitute for HB 2161 as amended. Representative Kelley seconded the motion. The motion carried.

Chairman Carlson introduced discussion and action on **HB 2091-decreasing rate of sales and compensating use tax**.

Representative Kelley moved to pass **HB 2091** favorably. Representative Kleeb seconded the motion. The motion carried.

Chairman Carlson introduced discussion and action on **HB 2160-establishing the simplified state tax structure committee**.

Representative Kleeb moved **HB 2160** favorable for passage. Representative Kelley seconded the

CONTINUATION SHEET

The minutes of the House Taxation Committee at 3:36 p.m. on March 3, 2011, in Room 783 of the Docking State Office Building.

motion.

Scott Wells, Office of the Revisor of Statutes, briefed the Committee on **HB 2160**. He stood for questions.

Representative Goico moved an amendment that would require an “up and down” vote by the Taxation Committee and then, if passed, follow the legislative process, on proposals presented by the Commission. The motion was seconded by Representative Schroeder. Discussion was held. Representative Goico closed on the amendment as presented. The motion failed.

Representative Kelley closed on the motion to pass **HB 2160** favorably. The motion failed.

The next meeting is scheduled for 3:30 p.m., March 7, 2011, in Room 783 of the Docking State Office Building for the purpose of hearing:

**HCR 5017 - Constitutional amendment authorizing the legislature to provide for classification and taxation of watercraft**

**SB 108 - Record of plats; payment of estimated taxes**

The meeting was adjourned at 4:25 p.m.

Respectfully submitted,

June Christensen  
Committee Assistant, pro tem