

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:42 p.m. on March 9, 2011, in Room 783 of the Docking State Office Building.

All members were present except:

Representative Donohoe-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  
Marla Morris, Committee Assistant  
Allen Jeffus, Office Assistant

Conferees appearing before the Committee:

Richard Cram, Kansas Department of Revenue  
Jill Wolters, Office of the Revisor of Statutes  
Kent Eckles, The Kansas Chamber  
Daniel Murray, National Federation of Independent Business

Others attending:

See attached list.

Bill Introductions:

Representative Worley requested withdrawal of the February 9, 2011 bill request concerning Machinery and Equipment, and requested introduction of a bill on community improvement districts. Representative Carlson moved to introduce a bill on community improvement districts. Representative Frownfelter seconded the motion. The motion carried unanimously.

Chairman Carlson opened the hearing on:

**SB 212 - Annual report by secretary of revenue of abatements of tax liability**

Gordon Self, Office of the Revisor of Statutes briefed the Committee on **SB 212**. The bill was introduced in the Senate Committee on Federal and State Affairs at the request of the Kansas Department of Revenue. The bill would amend language concerning the public availability of information concerning tax abatement records. He stood for questions.

Chairman Carlson directed the Committee to the fiscal note on **SB 212**, prepared by Richard Kram, Kansas Department of Revenue (KDOR), (Attachment 1).

Richard Cram, KDOR, introduced General Counsel, David Clauser, and Staff Attorneys Robert Challquist and Randy Wharton, who will be available to answer questions, if necessary. Mr. Cram defined the recommended amendments and the need to correct what the department believes to have been oversights in the original legislation. He stated, passage of the retroactive legislation may eliminate the risk of legal issues from a request for old records that should have been confidential. He stood for questions.

Chairman Carlson closed the hearing on **SB 212** and began discussion and action on **SB 212**:

Representative Dillmore moved to pass SB 212 favorable, and due to the non-controversial nature of the bill, be placed on the consent calendar. Representative Wolfe-Moore seconded the motion, and the motion carried unanimously.

Chairman Carlson opened the hearing on:

**HCR 5011-To amend Article 11 of the Constitution of the State of Kansas by adding a new section thereto, concerning a contingency reserve fund and debt prepayment fund in the state treasury**

## CONTINUATION SHEET

The minutes of the House Taxation Committee at 3:42 p.m. on March 9, 2011, in Room 783 of the Docking State Office Building.

Jill Wolters, Office of the Revisor of Statutes, briefed the Committee on **HCR 5011**. Adoption of the resolution would add a new section 14, to article 11 of the Kansas Constitution establishing a contingency reserve fund and debt prepayment fund in the state treasury on July 1, 2013. A technical amendment would need to be addressed if the resolution is adopted, correcting the word 'services' on page 1, line 29 to 'serviced' (Attachment 2). She stood for questions.

Kent Eckles, The Kansas Chamber, spoke in support of **HCR 5011**. Kansas is one of three states without rainy day fund or budget stabilization fund, the Chamber feels it is good to save for a rainy day, and **HCR 5011** is a good option. The Kansas Chamber urged the Committee to reform the state's tax code by adopting similar "trigger mechanisms," which would tie future revenue growth to reductions in the state's individual and corporate income taxes (Attachment 3). He stood for questions.

Daniel Murray, National Federation of Independent Business, supports **HCR 5011**, and feels that the state should have a "reserve". He points out that Kansas has a higher debt burden per person of \$1,140, than surrounding states, with Nebraska's burden the lowest at \$15/person and Missouri the closest at \$780/per person (Attachment 4). He stood for questions.

Chairman Carlson closed the hearing on **HCR 5011**.

Discussion and action on:

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

Representative Schwartz moved HCR 5011 favorable for passage. The motion was seconded by Representative Gatewood, and the motion carried unanimously.

The next meeting is scheduled for 3:30 p.m., March 10, 2011, in Room 783 of the Docking State Office Building for the purpose of hearing:

**SB 61 - Increasing income tax credit for contributions made by program contributors under the individual development account program**

**SB 1 - concerning consumer transactions; relating to the Kansas retailers'; sales tax act; requiring the cumulative rate to be printed on electronically printed sales receipts**

**HB 2266 - Community improvement districts; notice of sales tax rate**

The meeting was adjourned at 4:57 p.m.