

Approved: March 28, 2012
(Date)

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:40 pm on Thursday, February 16, 2012 in Room 783 of the Docking State Office Building.

Members excused were:

Representative Frownfelter
Representative Weber

Committee staff present:

Scott Wells, Office of the Revisor of Statutes
Chuck Reimer, Office of the Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Chris Sevedge, Kansas Legislative Research Department
Allen Jeffus, Office Assistant
Phyllis Fast, Committee Assistant

Conferees appearing before the Committee:

Don Moler, Kansas League of Municipalities
Bernie Koch, Kansas Economic Progress Council
Ron Gaches, Kansas Society of Professional Engineers
Scott Heidner, American Council of Engineering Companies
Bob Totten, Kansas Contractors Association
Ken Peterson, Kansas Petroleum Council
April Holman, Kansas Action for Children
Randall Allen, Kansas Association of Counties
Tuck Duncan, Kansas Public Transit Association
Mary Lou Reece, Reece Construction, Wichita
Julie Lorenz, Economic Lifelines
Whitney Damron, Kansas Good Roads
Richard Hayter, Manhattan Area Chamber of Commerce
Howard Partington, Great Bend City Administrator
Charlie Sedlock, Hamm Quarries, Perry
Woody Moses, Kansas Aggregate Producers Assn./Kansas Ready Mixed Assn.
Payne Mendenhall, KC Laborers-Employers Cooperation (LECET)

Others attending: See attached list.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

Minutes of the HOUSE TAXATION Committee at 3:40 PM on Thursday, February 16, 2012 in 783-DSOB.

Chairman Carlson opened the hearing on:

HB 2747 - Taxation, rate reduction for income and privilege tax based state general fund receipts computations; income tax, deductions, credits and income determination; distribution of sales and use tax revenue; severance tax exemption; and rural opportunity zones.

Written only testimony in support of **HB 2747** was presented by Dave Trabert, Kansas Policy Institute. ([Attachment 1](#))

Don Moler testified in opposition to **HB 2747** by expressing a concern of not fully funding the Department of Transportation, i.e. T-Works, which creates jobs and good roads in Kansas. ([Attachment 2](#)) He stood for questions.

Bernie Koch testified in opposition to **HB 2747** expressing concern of delaying funding to the transportation program. He also pointed out that once incomes taxes are reduced, generally property taxes increase. ([Attachment 3](#)) He stood for questions.

Ron Gaches testified in opposition to **HB 2747** by denoting that loss of funding to KDOT's T-Works program creates loss of needed jobs. ([Attachment 4](#)) He stood for questions.

Scott Heidner testified in opposition to **HB 2747** expressing concern KDOT is not receiving necessary funds for their programs. ([Attachment 5](#)) He stood for questions.

Bob Totten testified in opposition to **HB 2747** by sharing information that a well-funded highway construction program generally is one of the fastest ways to promote economy. ([Attachment 6](#)) He stood for questions.

Ken Peterson testified in opposition to **HB 2747** by repeating his concern from previous testimony regarding repealing the severance tax. ([Attachment 7](#)) He stood for questions.

April Holman testified in opposition to **HB 2747** by expressing concern to eliminate earned income tax credits. ([Attachment 8](#)) She stood for questions.

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Randall Allen testified in opposition to **HB 2747** by expressing concern in delay of funding to KDOT with respect to local projects already approved for repair. (Attachment 9) He stood for questions.

Tuck Duncan testified in opposition to **HB 2747** by relating the need to maintain public transit systems enhanced by KDOT's T-Works program. (Attachment 10) He stood for questions.

Mary Lou Reece testified in opposition to **HB 2747** by detailing the problems a construction company will face when KDOT funds are reduced. (Attachment 11) She stood for questions.

Julie Lorenz testified in opposition to **HB 2747** by expressing a need to fund KDOT long-term instead of borrowing money from KDOT with the anticipation of someday returning borrowed monies back to the transportation program. (Attachment 12) She stood for questions.

Whitney Damron testified in opposition to **HB 2747** by emphasizing the need to continue full funding of KDOT's transportation program. (Attachment 13) He stood for questions.

Richard Hayter testified in opposition to **HB 2747** by relating information of needed funding for local road projects to a military base. (Attachment 14) He stood for questions.

Howard Partington, Great Bend City Administrator, testified in opposition to **HB 2747** expressed the need to fully fund KDOT's highway program. (Attachment 15) He stood for questions.

Charlie Sedlock testified in opposition to **HB 2747** by emphasizing how construction projects are sustaining the state's economy. (Attachment 16) He stood for questions.

Woody Moses testified in opposition to **HB 2747** by expressing concern KDOT's reduced funding could jeopardize their bond rating. (Attachment 17) He stood for questions.

Payne Mendenhall testified in opposition to **HB 2747** by relating how funding the highway program enhances the Kansas economy. (Attachment 18) He stood for questions.

Written only testimony in opposition to **HB 2747** was presented by Jack Taylor, S.P.I.R.I.T. Liberal (Attachment 19); Kate Quinlan-Laird, Hutchinson/Reno County Chamber of Commerce (Attachment 20); Tom Chandler, Kansas Association of Airports (Attachment 21); Steve Sloan, Midwest Minerals (Attachment 22); Ashley Sherard, Lenexa Chamber of Commerce (Attachment 23); Jennifer Bruning, Overland Park Chamber of Commerce (Attachment 24);

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Bruce Linhos, Children's Alliance ([Attachment 25](#)); Gary Allerheiligen, Kansas Society of Certified Public Accountants ([Attachment 26](#)); Rick Sowers, Dodge City Mayor ([Attachment 27](#)); Kip Spray, Venture Corporation, Dodge City ([Attachment 28](#)); Jake Klaver, Klaver Construction, Kingman ([Attachment 29](#)); Justin Crain, American Concrete, Pittsburg ([Attachment 30](#)); Carl Brewer, Wichita Mayor ([Attachment 31](#)); Michael Young, Portland Cement Association, South Central ([Attachment 32](#)); Todd LaTorella, MO/KS American Concrete Pavement Association ([Attachment 33](#)); John Doll, Garden City Mayor ([Attachment 34](#)); Charles Sunderland, Ash Grove Cement, Chanute ([Attachment 35](#)); James Hanni, AAA ([Attachment 36](#)); and Tim McKee, Olathe Chamber of Commerce ([Attachment 37](#)).

After all questions from the Committee were answered, Chairman Carlson closed the hearing on **HB 2747**.

Representative Schwartz made a motion for a bill concerning veterans. Representative Dillmore seconded the motion. Motion carried.

The next meeting of the Committee is scheduled for 3:30 pm Monday, February 20, 2012 in 783-DSOB to continue hearing **HB 2747**.

The meeting was adjourned at 4:45 pm.