

MINUTES OF THE SENATE ASSESSMENT & TAXATION COMMITTEE

The meeting was called to order by Vice Chairman Pat Apple at 10:38 a.m. on February 15, 2011, in Room 152-S of the Capitol.

All members were present except:

Chairman Les Donovan – 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
Mary Jane Brueck, Committee Assistant

Conferees appearing before the Committee:

Secretary Nick Jordan, Department of Revenue
Richard Cram, Director, Department of Revenue
Ron Seeber, Vice President of Government Affairs for Kansas Agribusiness Retailers Association;
also representing Kansas Grain & Feed Association and Kansas Co-operative Council
Chad Austin, Vice President of Government Relations, Kansas Hospital Association.

Others attending:

See attached list.

Vice-Chairman Pat Apple opened the meeting with the hearing on **SB 198 Creating rural opportunity zones**. He recognized Scott Wells, Office of the Revisor of Statutes, to explain the bill. He then introduced Secretary Nick Jordan, Department of Revenue. He told the committee it is important to repopulate the counties in western Kansas. There are forty counties with a double digit loss in census. He suggests an income tax credit from 2012 thru 2016 to businesses choosing to move to Kansas from out of state and establishing their business in any of these forty counties. There would also be an incentive from a student loan payment program that would be funded with half the funds coming from the county and half from the state, with a limit of \$15,000.00. (Attachment 1) Policy Director to the Governor, Landon Fulmer, said there is a need for a change in tax structure to draw business and people to Kansas. Also, the assistance in repaying school loans should attract people to the State. Individual counties can opt to sign up for this program. There would be a \$15,000.00 cap over five years. Also those who have not lived in Kansas for at least five years has the opportunity to return home to live.

Richard Cram, Director, Department of Revenue explained the criteria for persons or businesses to take part in this program. The person or business will have to have lived/ done business outside of Kansas for at least 5 years immediately before moving to Kansas in a “rural opportunity zone.” The person/business can have no source of income from a Kansas source for at least five years before moving to Kansas in a “rural opportunity zone.” And, the person/business must be in the “rural opportunity zone” for the entire tax year. (Attachment 2)

Written testimony in support of this bill was received from Ron Seeber, on behalf of the Kansas Agribusiness Retailers Association, Kansas Grain and feed Association, and Kansas Cooperative Council, (Attachment 3) and also from Chad Austin, Vice President, Government Relations for the Kansas Hospital Association. (Attachment 4) There was no testimony submitted from as neutral or in opposition to this bill. Vice-Chairman Apple closed the hearing on SB 198.

Vice-Chairman Apple moved to old business. First was a brief discussion on **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**. Discussion re posting tax rates on a sign by the cash register be accepted in those businesses that do not have the cash registers with the ability to electronically print that information on a paper receipt. The bill will be set aside for further discussion. **SB 59 Interest rate charged; delinquent or unpaid tax and overpayment of taxes**. has had a balloon added for a technicality, and also will be discussed at a later time. And **SB 61 Increasing income tax credit for contributions made by program contributors under the individual development account program** also will be discussed at a later date. The committee agreed **SB 108 Record of plats; payment**

CONTINUATION SHEET

The minutes of the Senate Assessment & Taxation Committee at 10:30 a.m. on February 15, 2011, in Room 152-S of the Capitol.

of estimated taxes. was ready for a vote. Sen. Holland moved that SB 108 be moved out of committee favorably. Sen. Marshall seconded the motion. The motion carried.

The next meeting will be tomorrow, February 16, 2011. The committee will discuss **SB 196 – Authorizing expensing of investment expenditures as a deduction in calculating Kansas income tax liability and IMPACT program changes.**

Having no more business to conduct at this time, Vice-Chairman Apple adjourned the meeting at 11:42 a.m.