

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson Senator Audrey Langworthy at 11:10 a.m. on March 23, 2000, in Room 519-S of the Capitol.

All members were present except: Senator Greta Goodwin – Excused

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list.

Senator Langworthy began a brief discussion of a previously heard bill, **SB 643**, which amends the Kansas and Missouri Metropolitan cultural district compact. She reminded the Committee that the bill would amend “cultural activities” to mean sports or activities which enhance aesthetic, artistic, historical, intellectual, or social development. The bill provides that any levy cannot be voted on prior to January 1, 2002, and allows for two members of the governing body of a county with a consolidated or unified county government and a city of the first class which is a part of the district, who shall be appointed by majority vote of the governing body. At this late point in the session, she felt that the most expedient way to act upon the bill would be to amend it into a House bill, **HB 2037**, which is a 1999 bill dealing with a sales tax exemption for railroad facilities and grain storage facilities. She explained that the provisions of **HB 2037** were amended into another bill in 1999, and that bill passed.

Senator Bond moved to delete the provisions in **HB 2037** and insert the provisions of **SB 643** and to report **HB 2037** favorable for passage as amended, seconded by Senator Praeger. The motion carried.

Senator Langworthy turned the Committee’s attention to **SB 624**, which was the subject of discussion at the March 22 meeting. She reminded the Committee that a proposed amendment had been discussed. Whitney Damron, representing the Unified Government of Wyandotte County-Kansas City, distributed copies of the proposed amendment (Attachment 1) and a statement of intent prepared by Troy D. Kennedy, General Motors, and Bob Gardner, Wyandotte County Appraiser (Attachment 2). Mr. Damron informed the Committee that the amendment was prepared by Bob Gardner, Troy Kennedy, Laura Johnson with the Kansas Department of Revenue, and Don Hayward, Revisor of Statutes Office. The amendment defines “tools and dies” in Section 1(a) by referencing Internal Revenue Service Publication 946.

Senator Steineger began a discussion regarding the specific meaning of “fixtures” as used in the statement of intent when describing what “special tools” includes. Mark Beck, Property Valuation Division, stated that “fixtures” includes anything that is normally considered as personal property but becomes fixed to real estate. Mr. Hayward furnished committee members with a copy of the Internal Revenue definition of “special tools” referenced in the bill. (Attachment 3) He pointed out that “fixtures” is included in Asset Class 37.12.

Noting that he does not support **SB 624**, Senator Steineger stated that he believes the amendment language is good language and should be included in the bill. Senator Steineger moved to amend **SB 624** as suggested, seconded by Senator Bond. The motion carried.

HB 2588–Income tax; allowing net operating loss carrybacks

For the Committee’s information, Senator Langworthy called upon April Holman, Legislative Research Department, for a briefing on the bill. Ms. Holman explained that the bill was recommended for introduction by the Special Committee on Assessment and Taxation after studying farm net operating loss carryback and farm income averaging. She discussed the provisions of the bill as introduced, as amended by the House

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE
Room 519-S, Statehouse, at 11:10 a.m. on March 23, 2000.

Taxation Committee, and as amended by the House Committee of the Whole. Also included in her report was information on the fiscal note and a comparison of Kansas and Federal law regarding net operating loss carryback and carryforward. (Attachment 4)

The meeting was adjourned at 11:35 a.m.

The next meeting date is to be announced.