

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson John Edmonds at 9:00 a.m. on March 14, 2003 in Room 519-S of the Capitol.

All members were present except: Representative Nancy Kirk
Representative Bonnie Sharp

Committee staff present: Chris Courtwright, Legislative Research Department
Gordon Self, Office of the Revisor of Statutes
Carol Doel, Committee Secretary

Conferees appearing before the committee: Dr. Doug Houston, University of Kansas School of
Business

Others attending: See attached list

Chairman Edmonds called for bill introductions. Hearing none, he introduced Dr. Doug Houston, University of Kansas School of Business who gave a presentation on "*Economic Modeling of Sales Tax Exemptions*" This is known as Kansas-STAMP (State Tax Analysis and Modeling Program) which is a general equilibrium tax model. This was formulated by The Beacon Hill Institute at Suffolk University. The proper tool to provide the required level of detail and to analyze sweeping changes in the tax system is a *Computable General Equilibrium* (CGE) model. A CGE tax model is a formal description of the economic relationships among Kansas producers, households, government and the rest of world. (Attachment 1)

Also included in his presentation was an article on the background of Kansas STAMP. The Kansas STAMP was built with a basic structure similar to that of the California model of Berck et al, because it was designed for a similar purpose, namely tax policy analysis. The Kansas model is also similar in structure to the CGE (Computable General Equilibrium) models that the Beacon Hill Institute has built for Texas, Alabama and Wisconsin and is now completing for Florida, Illinois, and Massachusetts. (Attachment 2)

With no further business before the committee, Chairman Edmonds adjourned the meeting at 10:10 a.m.