

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson John Edmonds at 9:00 a.m. on January 30, 2003 in Room 519-S of the Capitol.

All members were present except: Representative Huff

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

Conferees appearing before the committee: Patrick Hubbell, Kansas Railroads

Others attending: See Attached List

Chairman Edmonds gave an update on the progress of Representative Huff.

The first order of business was bill introductions with the Chair recognizing Representative Huntington who requested the introduction of exemption from taxes for the Cystic Fibrosis Foundation.

With no objection, the bill was introduced.

Representative Bethell came before the committee with two conceptual ideas which he introduced. One of them had to do with the reappraisal of real estate in rural areas. He distinguished that from the urban areas to the rural because of the issues that come out. Representative Bethell continued to explain that what is being looked at is an every year reassessment of property in rural areas which is really an overkill. His suggestion was to move that to every three years.

There were no committee objections, the bill will be introduced.

The second bill Representative Bethell wished to be introduced was a bill he worked on with the Department of Human Resources. This would deal with the unemployment compensation tax that is paid by employers for H2A alien workers. These workers primarily affect farming and farming activities. This tax is charged by the state, but it is not charged by the federal government. He continued explaining that typically the state and federal law are made to conform with each other and in this particular case the Department of Human Resources has overlooked that, and they are in favor of making conforming to federal law. This would keep the employer from having to send in unemployment compensation for individuals who will never claim it since they are only here for a limited amount of time and will return to their native country.

Hearing no objections, Chairman Edmonds stated the bill would be introduced.

Chairman Edmonds opened the meeting for hearing on **HB 2005** with Mr. Patrick Hubbell representing Kansas Railroads. In his testimony, Mr. Hubbell explained that the state of Kansas centrally assesses railroad

CONTINUATION SHEET

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property, both real and personal. Under section 306 the Federal 4-R Act, four taxing practices are detailed that “unreasonably burden and discriminate against railroads in interstate commerce.” Mr. Hubbell supports passage of **HB 2005** to grant railroads tax credits on machinery and equipment beginning in 2003, with the credit being set at 15 percent. (Attachment 1)

With no further business before the committee, Chairman Edmonds adjourned the meeting at 9:30 a.m.