

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairperson David Corbin at 10:45 a.m. on March 25, 2003, in Room 519-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee: Marlee Carpenter, Kansas Chamber of Commerce & Industry
Jim Weisgerber, Kansas Department of Revenue

Others attending: See attached list.

Senator Corbin called the Committee's attention to the minutes of the March 20 and 24 meetings. Senator Buhler moved to approve the minutes of the March 20 and 24, 2003, minutes, seconded by Senator Donovan. The motion carried.

Discussion of **SB 94** continued from March 24 meeting:

On behalf of the Kansas Chamber of Commerce and Industry, the Kansas Livestock Association, and the Kansas Farm Bureau, Marlee Carpenter appeared in opposition to the amendments to **SB 94** offered by the Department of Revenue on March 24, contending that they will open the gate to the re-establishment of inheritance taxes on Class A and B heirs in the future and will essentially make the current "pick up" tax a permanent, free standing estate tax. She noted that the proposed amendments go beyond what was previously discussed by the Committee and supported by conferees. She contended that the succession tax should be repealed rather than "fixed" and that the state should adopt the federal government's philosophy of phasing out estate taxes. She commented that the current "pick up" tax will continue to generate approximately \$50 million through Fiscal Year 2010 and urged the committee not to act on any free standing estate tax as more time is needed for an extensive examination of the issues. (Attachment 1)

Senator Lee moved to reinstate the original language repealing the succession tax in SB 94 and to add enforcement language for the current estate tax as originally proposed by the Department of Revenue, seconded by Senator Clark. Following committee discussion, the motion carried.

Discussion of **SB 170** continued from March 24 meeting:

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE at 10:45 a.m. on March 25, 2003, in Room 519-S of the Capitol.

Jim Weisgerber, Kansas Department of Revenue, distributed copies of new amendments to **SB 170** drafted by the Department after the March 24 meeting. (Attachment 2) Noting that most of the amendments regard reorganization and clarification, he briefly explained the amendments in each section and the purpose for the addition of new sections.

Senator Clark moved to adopt the proposed amendments as **Substitute for SB 170**, seconded by Senator Lee. Following committee discussion, the motion carried.

The meeting was adjourned at 11:20 a.m.

No further meetings are scheduled.