

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 9:00 a.m. on February 3, 2009, in Room 535-N of the Capitol.

All members were present.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Hank Avila, Kansas Legislative Research Department
Chris Courtwright, Kansas Legislative Research Department
Kathy Beavers, Committee Assistant

Conferees appearing before the committee:

Joan Wagon, Secretary, Department of Revenue
April Holman, Kansas Action for Children

Others attending:

See attached list.

Representative Peck made a motion to introduce a committee bill to establish a Back-to-School Sales Tax Holiday the first week in August. Representative Goico seconded the motion. The motion carried.

Representative Goyle made a motion to introduce a bill concerning the expanded use of compressed natural gas and to create incentives for construction of C & G filing stations. Representative Menghini seconded the motion. The motion carried.

Representative Goico made a motion to introduce a conceptual bill concerning a streamlined sales tax. Representative Rhoades seconded the motion. The motion carried.

Representative Menghini made a motion to introduce a bill clarifying property exempt status for developmentally challenged and elderly low-income projects. Representative Benlon seconded the motion. The motion carried.

Representative Frownfelter made a motion to introduce two committee bills. They are:

1. Rehabilitation of abandoned house law
2. Nuisance actions for city code violations law

The motion was seconded by Representative Schwartz. The motion carried.

Representative George made a motion to introduce a bill concerning tax of Horsethief Reservoir. Representative Powell seconded the motion. The motion carried.

Representative King made a motion to propose a committee amendment to correct the 1992 constitutional amendment defining public utility. Representative Hayzlett seconded the motion. The motion carried.

There being no other bill introductions, the chairman opened the hearing on **HB 2070**.

HB 2070 - Repeal of the income tax credit under the Kansas community services program act.

Staff member Chris Courtwright gave a brief overview and history of **HB 2070** which would repeal the community service programs sales tax credit. He stood for questions.

Joan Wagon, Secretary, Department of Revenue, testified in support of **HB 2070** (Attachment 1). She gave a history of the original bill which was enacted in 1994. She stated that many associations in Kansas will be affected by the repeal of this bill. The repeal of this bill would have a positive fiscal impact of \$4.1 million. The Department of Commerce reviews and updates data on the utilization of the credits throughout Kansas. She stood for questions.

Representative Brown asked if the bill could be suspended instead of repealed so that when the economy

CONTINUATION SHEET

Minutes of the House Taxation Committee at 9:00 a.m. on February 3, 2009, in Room 535-N of the Capitol.

recovers the bill can be reinstated to benefit those that qualify for the credit. Secretary Wagnon stated that the bill could be suspended. Discussion ensued.

At the request of Representative Carlson, April Holman, Kansas Action for Children (KAC) stood for questions on her written testimony (Attachment 2). She stated that while this bill is a good bill, KAC understood the need for budget cuts. By supporting the Governor's budget proposals it may protect against further cuts to important programs for children and families in Kansas.

There being no further conferees, the chairman closed the hearing on **HB 2070**.

Representative Carlson requested that the committee members review the minutes of the January 20, 21 and 22, 2009. If there are no corrections to the minutes they will be accepted as approved on Thursday, February 5, 2009.

The next meeting is scheduled for February 4, 2009.

The meeting was adjourned at 9:45 a.m.