

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson John Edmonds at 9:00 a.m. on February 18, 2003 in Room 519-S of the Capitol.

All members were present except: Representative Flora
Representative Sawyer

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

Conferees appearing before the committee: Dr. Bartley Hildreth, Chair Regents Distinguished
Professor of Public Finance and Director of Public
Finance Center, Wichita, State University

Mr. Charles Ranson, President Kansas Inc.

Others attending: See Attached Sheet

Chairman Edmonds opened the meeting for introduction of bills.

Representative Larkin requested the introduction of a constitutional amendment that would reduce the assessment rate of business machinery and equipment from 25 percent to 15 percent.

Without objection, Chairman Edmonds accepted that introduction.

Next recognized with a bill introduction, was Representative Faber who requested a bill that would make it illegal for cities and counties to raise sales tax to fund school districts.

Hearing no objections, Chairman Edmonds accepted the bill.

Chairman Edmonds requested the introduction of establishing the individual development account reserve fund as proposed by Senator Haley.

With no objections this proposal, will be accepted.

Also requested by Chairman Edmonds, was a resolution thanking Don Hayward for his years of service as revisor for the Taxation Committee.

Hearing no objections, this resolution was accepted.

With no other bill introductions, Chairman Edmonds called to the attention to the copy of the fiscal note regarding **HB 2066** which has been assigned to the Taxation Committee.

CONTINUATION SHEET

MINUTES OF THE HOUSE TAXATION COMMITTEE at 9:00 a.m. on February 18, 2003 in Room 519-S of the Capitol.

Chairman Edmonds introduced Dr. Bartley Hildreth, Chair, Regents Distinguished Professor of Public Finance and Director, Kansas Public Finance Center, Wichita State University who presented an overview of the State of Kansas Report of the Governor's Tax Review Committee of December 1998. There was a committee of seven asked to assess the current and future status of the state tax system given the major changes that have taken place since the Governor's Tax Equity Task Force issued its' report three years previously. This was done in five public meetings held at the State Capitol and involved 25 hours of informative and probing discussions. Dr. Hildreth related that the main focus of the committee was to create a road map for state tax policy. (Attachment 1)

Dr. Bartley stood for questions from the committee.

Also appearing before the committee, was Mr. Charles Ranson, President of Kansas, Inc. relating that **K.S.A. 74-8017** requires that all corporate tax payers filing with the Kansas Department of Revenue complete a questionnaire regarding claims for and use of specifically enumerated income tax credits and sales tax exemptions. This information is then transmitted to Kansas Inc. for its use in developing the legislatively mandated study of the cost-effectiveness of these credits. (Attachment 2)

Mr. Ranson also distributed, for committee review, a copy of the questionnaire that was developed, and which is now part of the corporate booklet distributed to all corporate taxpayers. (Attachment 3)

Mr. Ranson stood for questions following his presentation.

With no further business before the committee, Chairman Edmonds adjourned the meeting at 10:30 a.m.