

MINUTES OF THE HOUSE TAX COMMITTEE

The meeting was called to order by Chairman Richard Carlson @ 9:00 A.M. on January 20, 2009, in Room 535-N of the Capitol.

All members were present except Representatives Melody McCray-Miller, Mario Goico, Nile Dillmore and Raj Goyle, who were excused.

Committee staff present:

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

Others attending:

See attached list

Bill Introductions:

Representative Pat George made a motion to request a bill introduction to tax exempt the Steve King Foundation. Representative Powell seconded the motion. The motion carried.

Representative Richard Carlson, Chairman, introduced and welcomed Dr. Art Hall, Director of Applied Economics, University of Kansas. Dr. Hall gave an informative presentation - "A Sketch of Taxation in the Twenty-first Century" (Attachment 1).

Dr. Hall stated that the American Institute of Certified Public Accountants has recommended ten guiding principles for crafting good tax policy. Those principles are:

- Equity and Fairness
- Certainty
- Convenience of Payment
- Economy in Collection
- Simplicity
- Neutrality
- Economic Growth and Efficiency
- Transparency and Visibility
- Minimum Tax Gap
- Appropriate Government Revenues

Dr. Hall discussed, in detail, the pros and cons of applying a flat tax versus Kansas' current tax system. and answered questions from the committee members. A copy of the New Hampshire Business Enterprise Tax Return for Corporations, Partnerships, Fiduciaries and Non-Profit Organizations was distributed (Attachment 2) to the committee members.

Chairman Richard Carlson thanked Dr. Hall for his time and expertise.

Representative Anthony Brown stated that the Financial Institutions Committee, in a joint meeting with the Senate, has invited Mr. Honnig, the President of the Federal Reserve Bank, to speak. Representative Brown invited committee members and attendees to attend the presentation. Mr. Honnig has experience in setting the interest rates in the United States. The presentation will be held Wednesday at 3:30P.M. in Room 535-N.

Chairman Carlson reminded the committee members of a presentation by Dr. John Leatherman, Professor in the Kansas State Department of Agriculture, at the January 21, 2009 meeting in Room 535-N.

The meeting adjourned at 10:10A.M.