

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairperson Marvin Kleeb at 3:31pm on Thursday, February 19, 2015, 582-N of the Capitol.

All members were present except:

Representative Les Mason – Excused
Representative Kasha Kelley – Excused

Committee staff present:

Reed Holwegner, Legislative Research Department
Phyllis Fast, Kansas Legislative Committee Assistant
Chris Courtwright, Legislative Research Department
Chuck Reimer, Office of Revisor of Statutes
Scott Wells, Office of Revisor of Statutes

Conferees appearing before the Committee:

Richard Carlson, Kansas Department of Revenue
Dr. Roy Jensen, University of Kansas Medical Center Cancer Center Director
Jodi Radke, Campaign for Tobacco-Free Kids
Kaala Berry, American Heart Association
Cathy Porter, Kansans for a Healthy Future
Reagan Cussimano, American Cancer Society
Bill Nigro, KC MO Business Owner
Aaron Dunkel, Kansas Department of Health & Environment
Bill Keip, Reynolds American Services
Rich Marianos, Reynolds American Services
Brenda Ellsworth, Pete's Convenience Stores
Curt Diebel, Diebel's Sportsmens Gallery
Tom Jacob, Cigar Chateau
Doug Mays, for The Cigar Association of America

Others in attendance:

[See Attached List](#)

Bill introductions

Representative Don Hineman made a motion to introduce a bill concerning intangibles tax. Ranking Minority Member Tom Sawyer seconded the motion. Motion passed.

Hearing on: HB2306 — Increasing rates of taxation on cigarettes, tobacco products and alcoholic beverages.

Chairman Kleeb opened a hearing on **HB2306** to hear testimony concerning taxation rates for cigarettes and tobacco products only.

Richard Carlson presented testimony in support of **HB2306** by enumerating a proposed tax schedule for cigarette and tobacco products. He stood for questions. ([Attachment 1](#))

CONTINUATION SHEET

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Dr. Roy Jensen presented testimony in support of **HB2306** by describing "the impact of a tobacco tax in Kansas". He stood for questions. ([Attachment 2](#))

Jodi Radke presented testimony in support of **HB2306** by summarizing independent studies concerning the effectiveness of tobacco tax increases. She stood for questions. ([Attachment 3](#))

Kaala Berry presented testimony in support of **HB2306** by discussing her advocacy "for discouraging other teens from ever starting to use tobacco products". She stood for questions. ([Attachment 4](#))

Cathy Porter presented testimony in support of **HB2306** by providing her personal story of cigarette smoking. She stood for questions. ([Attachment 5](#))

Reagan Cussimanio presented testimony in support of **HB2306** by explaining the health, health-care and economic benefits related to cigarette tax increases. She stood for questions. ([Attachment 6](#))

Bill Nigro presented testimony in support of **HB2306** by indicating how his businesses in Missouri would benefit from a tobacco tax increase in Kansas. He stood for questions. ([Attachment 7](#))

Aaron Dunkel presented testimony in support of **HB2306** by explaining various health related aspects of smoking. He stood for questions. ([Attachment 8](#))

Written only testimony in support of **HB2306** was presented by Leah Martin, American Lung Association ([Attachment 9](#)); Jeffrey Willett, Kansas Health Foundation ([Attachment 10](#)); Tom Krebs, Kansas Association of School Boards ([Attachment 11](#)); Rachelle Colombo, Kansas Medical Society ([Attachment 12](#)); Diane Daldrup, March of Dimes Foundation ([Attachment 13](#)); Carolyn Gaughan, Kansas Academy of Family Physicians ([Attachment 14](#)); Tanya Dorf Brunner, Oral Health Kansas, Inc. ([Attachment 15](#)); Joyce Cussimanio, Tobacco Free Kansas Coalition ([Attachment 16](#)); Sean Gatewood, Kansas Health Consumer Coalition ([Attachment 17](#)); Sharon Cotsoradis, Kansas Action for Children ([Attachment 18](#)); Angie Henderson, Kansans for a Healthy Future ([Attachment 19](#)).

No testimony neutral for **HB2306** was presented.

Bill Keip presented testimony in opposition to **HB2306** by detailing "the negative economic impact of a cigarette tax increase". He stood for questions. ([Attachment 20](#))

Rich Marianos presented testimony in opposition to **HB2306** by discussing the criminal element involved when increasing taxes on cigarettes. He stood for questions. ([Attachment 21](#))

Brenda Ellsworth presented testimony in opposition to **HB2306** by detailing the negative ramifications on her businesses due to the potential loss of "smoking customers". She stood for questions.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

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[\(Attachment 22\)](#)

Patrick Fleenor presented testimony in opposition to **HB2306** by discussing how tax increases on cigarettes generally fall short of revenue projections. He stood for questions. [\(Attachment 23\)](#)

Curt Diebel presented testimony in opposition to **HB2306** by discussing how a tax increase on tobacco products will negatively effect his business. He stood for questions. [\(Attachment 24\)](#)

Tom Jacob presented testimony in opposition to **HB2306** by discussing how a tax increase on tobacco products will negatively effect small businesses. He stood for questions. [\(Attachment 25\)](#)

Rodger Woods presented testimony in opposition to **HB2306** by saying that "all taxes limit prosperity". He stood for questions. [\(Attachment 26\)](#)

Doug Mays presented testimony in opposition to **HB2306** by explaining that higher taxes on cigars "will not significantly raise tax revenues in Kansas". He stood for questions. [\(Attachment 27\)](#)

Written only testimony in opposition to **HB2306** was presented by Whitney Damron, for Swisher International [\(Attachment 28\)](#); Greg Strong, Dighton resident [\(Attachment 29\)](#); George Stevens, Wichita Tobacco & Candy Company [\(Attachment 30\)](#); Scott Larkin, Kansas Candy & Tobacco [\(Attachment 31\)](#); Philip Bradley, Kansas Licensed Beverage Association [\(Attachment 32\)](#); Mike O'Neal, Kansas Chamber of Commerce [\(Attachment 33\)](#); Tom Palace, Petroleum Marketers & Convenience Store Association [\(Attachment 34\)](#); Greg Teel, Overland Park [\(Attachment 35\)](#); and James Rankin, McLane Company [\(Attachment 36\)](#).

When all questions from the Committee were answered, Chairman Kleeb closed the hearing on **HB2306**.

The meeting was adjourned at 5:04 pm.