

## MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairperson Les Donovan at 9:30 am on Tuesday, February 17, 2015, 548-S of the Capitol.

All members were present

Committee staff present:

Chris Courtwright, Legislative Research Department  
Edward Penner, Legislative Research Department  
Adam Siebers, Office of Revisor of Statutes  
Gordon Self, Office of Revisor of Statutes  
Judy Seitz, Kansas Legislative Committee Assistant

Conferees appearing before the Committee:

Senator Jeff King, District 15  
Representative Jim Kelly, District 11  
Larry Baer, Legal Counsel, League of Kansas Municipalities

Others in attendance:

[See Attached List](#)

### **Bill introductions**

Chairperson Donovan requested the introduction of the following bills:

1. Concerning the reduction of the Earned Income Tax Credit (EITC) from the current 17% totally refundable to 8% and nonrefundable
2. Concerning the reduction of the car tax assessment rate from 20% to 12% over five years and phase back in the 20 mills that is not applied to vehicles now
3. Concerning the removal of the tax exemption from passive income

*There being no objection from any member present, the Chair declared a motion to introduce the bills adopted by consensus.*

Vice Chairperson Tyson requested the introduction of the following bills:

1. Concerning tax credits
2. Concerning the refundable tax program
3. Concerning equal tax treatment for foreign businesses
4. Concerning adjustment qualifications to the EITC program
5. Concerning assistance to agencies to combat fraud with theft and taxes

*There being no objection from any member present, the Chair declared a motion to introduce the bills adopted by consensus.*

CONTINUATION SHEET

MINUTES of the Committee on Assessment and Taxation at 9:30 am on Tuesday, February 17, 2015, 548-S of the Capitol.

Senator Faust-Goudeau requested the introduction of a bill which would exempt sales tax on fresh vegetables and fruits or non processed food. She took questions.

*There being no objection from any member present, the Chair declared a motion to introduce the bill adopted by consensus.*

**Hearing on: SB187 — Extending the student loan payment program and income tax credit for rural opportunity zones for six years.**

Senator Jeff King reviewed **SB187** and spoke in support of the bill. He noted that it would extend the sunset for the Rural Opportunity Zone (ROZ) program for six years. ([Attachment 1](#)) Senator King took questions from the Committee. Senator Lynn said that Chris Harris, Kansas Department of Commerce, is scheduled to give a presentation regarding the ROZ program to the Senate Commerce Committee after turn around and requested that the Committee hold working this bill until after his presentation.

Representative Jim Kelly testified in favor of **SB187**. He said he has seen the ROZ program immediately generate the results that it was intended to produce. ([Attachment 2](#)) He also said he would prefer consideration of the elimination of the sunset and make it permanent. Representative Kelly took questions.

Larry Baer spoke in support of **SB187** and stated that the ROZ program is beneficial to local government because it brings in new and needed employees and families to rural Kansas. ([Attachment 3](#))

The following submitted testimony in favor of **SB187**:

Ryan Flickner, Senior Director of Public Policy, Kansas Farm Bureau ([Attachment 4](#))

Kansas Department of Commerce ([Attachment 5](#))

Chad Austin, Senior Vice President of Government Relations, Kansas Hospital Association ([Attachment 6](#))

Christy Hopkins, Director of Greeley County Community Development ([Attachment 7](#))

Leslie Carlholm, Community Development Director, Hamilton County Economic Development ([Attachment 8](#))

The meeting adjourned at 10:12 am.