

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairperson Les Donovan at 1:00pm on Wednesday, March 25, 2015, 548-S of the Capitol.

All members were present except:

Senator Terry Bruce – Excused

Senator Tom Holland – Excused

Committee staff present:

Chris Courtwright, Legislative Research Department

Edward Penner, Legislative Research Department

Adam Siebers, Office of Revisor of Statutes

Judy Seitz, Kansas Legislative Committee Assistant

Conferees appearing before the Committee:

Richard Carlson, Legislative Liaison, Kansas Department of Revenue (KDOR)

Mark Tallman, Associate Executive Director for Advocacy, Kansas Association of School Boards (KASB)

Eric Stafford, Vice President of Government Affairs, The Kansas Chamber

Others in attendance:

[See Attached List](#)

**Hearing on: SB234 — State finances; relating to state general fund tax receipts and expenditures; providing a tax amnesty; creating a budget stabilization fund, tax reduction fund; ending balances; income tax rates, itemized deductions; reports to the legislature.**

Chair Donovan opened the hearing on **SB234**.

Richard Carlson testified in support of **SB234** which is part of the Governor's tax plan and referred to it as the tax policy portion, although it also contains one half of the total revenue enhancements. This bill could increase revenues \$103.2 million in FY 2016 and \$108.5 million in FY 2017.

Mr. Carlson stated that the first part of this bill refers to the amnesty program for delinquent taxes due in individual, corporate, privilege, state sales and use, liquor, mineral and local sales taxes accrued from tax periods ending on or before December 31, 2013. He said the Department of Revenue could eliminate penalties and interest if taxes are paid between September 1, 2015 and October 15, 2015 and additional revenues of \$30 million are budgeted for FY 2016. Mr. Carlson said this bill would establish in statute both a "Budget Stabilization Fund (BSF)" and "Tax Reduction Fund (TRF)". He also said both funds ending balances will count towards the SGF ending balances and the BSF will replace the 7.5 percent ending balance requirement in statute. He said the establishment of the BSF and TRF funds moves the tax policy to a more sustainable long term policy as economic conditions will drive further reductions in income tax rates. Mr. Carlson said this is a tax policy for all working Kansans.

[\(Attachment 1\)](#)

## CONTINUATION SHEET

MINUTES of the Committee on Assessment and Taxation at 1:00pm on Wednesday, March 25, 2015, 548-S of the Capitol.

Mark Tallman spoke in support of **SB234** stating that he is not here to necessarily support the particulars of this or any other bill but the Kansas Association of School Board is concerned about the funding of schools and supports state tax policies that provide increasing education funding necessary for increasing educational outcomes. Mr. Tallman said it is important to go on the record that raising revenue is difficult. ([Attachment 2](#))

Eric Stafford spoke in opposition of **SB234** stating that the Kansas Chamber's Board of Directors position on taxation is to reduce taxes and encourage investment and growth. He further stated that for lower taxes to be fully effective in growing and stimulating our economy, they must be accompanied by reductions in government spending. ([Attachment 3](#))

Chris Courtwright explained a combined fiscal note he prepared for **SB233 - Increasing rates of taxation on cigarettes, tobacco products and alcoholic beverages** (heard yesterday) and **SB234** - the Governor's tax package.

Richard Cram, Director, Policy and Research, Kansas Department of Revenue, answered questions.

Mr. Carlson took questions from the Committee.

### **Adjournment**

The meeting adjourned at 1:35pm.