

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Representative Jim Braden at
Chairperson

9:00 a.m./~~p.m.~~ on February 21, 1983 in room 519-S of the Capitol.

All members were present except:

Representative Larry Turnquist, who was excused
Representative Rex Crowell, who was excused

Committee staff present:

Wayne Morris, Research Department
Tom Severn, Research Department
Don Hayward, Revisor of Statutes' Office
Nancy Wolff, Secretary to the Committee

Conferees appearing before the committee:

Representative Robert Wunsch

The meeting was called to order by the Chairman. The minutes of February 8 were approved as corrected.

Representative Wunsch appeared to explain House Bill 2377 which revises the upper income tax brackets for income tax purposes. (Attachment I) He stated that this bill does not affect corporations due to the fact that the State of Kansas needs to remain competitive with the surrounding states for the purpose of attracting new industry.

Following the hearing on House Bill 2377, the committee held discussion on Senate Bill 45 which will provide that no persons residing within the Fort Riley military reservation shall be included in the determination of the population of any city located within Riley County. The bill is intended to insure that no city would share in any Riley County sales tax receipts if annexation of Fort Riley is upheld by the courts. Representative V. Miller made a motion that Senate Bill 45 be reported favorable for passage and Representative Roe seconded the motion. The motion carried.

The committee then discussed House Bill 2236 which would make the motor fuel tax refund an income tax credit.

Representative Rolfs made a motion to report House Bill 2236 adversely and Representative R. Frey seconded the motion.

Representative Leach made a substitute conceptual motion to amend House Bill 2236 to provide that the credit be a refundable credit and to provide that the refund does not come from the state general fund but from the highway fund. Representative Erne seconded the motion. The motion failed.

The vote was then called for on the original motion to report House Bill 2236 adversely and the motion passed.

The committee held discussion on House Bill 2369 which would provide that the owners of adult care homes, children's homes, or elderly housing, need not show that its charges are at the lowest feasible cost under certain circumstances. The concensus of the committee was that the committee really wasn't ready to take action on this bill at the current time and one member expressed a desire to just hold this legislation until next year. Some members expressed the concern of how do you determine "lowest feasible cost".

The meeting was adjourned.

ROBERT S. WUNSCH

REPRESENTATIVE, ONE HUNDRED AND FIFTY-THIRD

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ATTACHMENT I

HOUSE OF
REPRESENTATIVESComments by Representative Wunsch on House Bill 2377

No one knows at this stage how much revenue will be needed for fiscal year '84. Regardless of other proposed taxes, it seems to me that we should have the opportunity to choose from as broad a tax base as possible. If we need more revenue, here is an alternative. I know there is a similar bill in the Senate but I thought we in the House should have a look at this measure independent of the Senate. I waited until the final hour for the introduction of individual bills. I was not aware of any other income tax bill of this nature being introduced and thus, I introduced HB 2377.

Our economic conditions dictate to me that new higher brackets for tax could provide a logical place to look for more revenue. Federal income tax has been reduced and many areas do not have the intangible tax. Many high income persons will more than recover the additional tax created by this bill.

Regretably no fiscal information is available.

It would be my idea that this bill remain in committee until its need is determined.

If it comes up for consideration I would propose to amend line 0053 reducing the rate from 12% to 11%. Also, I would propose amending line 0055 from 14% to 12%, or even removing the bracket at lines 0055-0056.

One aspect of this bill that bothers me is that should a severance tax and this bill be enacted, a group of tax payers might be taxed unfairly. I think there might be ways to avoid this, however.

HB 2377 is here to be used if a majority of this committee thinks it would help resolve our enormous fiscal dilemma.

Robert S. Wunsch
 Representative
 District 101