

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Chairman Paul "Bud" Burke at
Chairperson

11:00 a.m./~~p.m.~~ on MARCH 23, 1983 in room 526-S of the Capitol.

All members were present ~~except~~:

Committee staff present: Wayne Morris, Research Department
Tom Severn, Research Department
Don Hayward, Revisor's Office

Conferees appearing before the committee: Bill Edds, Department of Revenue
Mark Beshears, Department of Revenue

The committee held a hearing on HB 2216 which pertains to the effective date for local retailers' sales taxes. Bill Edds, Revenue Department, testified that this was a Department request and the proposed bill provides that a city sales tax would not become effective in an area annexed by a city levying such a tax until the first of the month following the 30th day after the date that the governing body provided the Department of Revenue with a certified copy of the annexation ordinance and a map of the city detailing the annexed area.

Senator Chaney moved and Senator Mulich seconded a motion to recommend HB 2216 favorable for passage. The motion passed.

The committee held a hearing on HB 2217 which provides for maintaining the tax refund funds. Bill Edds said this was a Department of Revenue request which is necessary for the efficient administration of the affected refund funds and is an accounting procedure. He said the bill amends several sections concerning tax refund funds and is amended to allow the Director of Taxation to certify the amount of funds necessary for financial institutions privilege tax refunds to the Director of Accounts and Reports, who shall transfer the required amount to the privilege tax refund fund. The inheritance tax refund fund is increased from \$15,000 to \$50,000. Section 4 of the bill creates a local alcoholic liquor refund fund, for refunds of the private club liquor tax, in an amount not to exceed \$10,000. He said there isn't enough money coming in now to generate the refund funds and the liability is there whether the money is there or not. Bill Edds said they receive complaints from taxpayers entitled to refunds and they have to wait until the money comes in. He said there would be no problem with auditing and this bill will not affect the ending balances in the State General Fund.

Senator Angell moved and Senator Mulich seconded a motion to report HB 2217 favorable for passage. The motion passed.

The chairman called on Wayne Morris to describe and explain HB 2469 and HB 2498 which will be considered by the committee at the hearing on March 24.

The chairman adjourned the meeting at 11:50 a.m. The next meeting of the committee will be upon adjournment of the session today.

