

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 APRIL 5, 1983 in room 526-S of the Capitol.

All members were present except: Senator Hayden (excused)

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

Conferees appearing before the committee:

The committee considered HB 2498 which deals with the designation and tax incentives of enterprise zones.

Senator Thiessen reported that the sub-committee had met and has some proposed language for the committee to consider. (Attachment #1)

Senator Thiessen moved and Senator Kerr seconded a motion to adopt the proposed amendment to HB 2498. The motion passed.

There was discussion of the one-year provision added in our committee which applies to those enterprise zones which had been approved prior to the effective date of the act and which would have to come back in and requalify by July 1, 1984. Some think we should get these cities in compliance with the permanent law and the longer they stretch out the date the more problems involved, while others thought they should stay with the two-year provision already in the act.

Senator Thiessen moved and Senator Kerr seconded a motion to restore the U.D.A.G. eligibility criterion to HB 2498, on page 3, lines 113-115. The motion carried.

Senator Thiessen told the committee that Don Hayward had told him there is no definition for an "industrial park" at the present time and if we don't define it, then KDED will make that determination. Senator Kerr said that Jamie Schwartz has inadvertently certified two cities under U.D.A.G. and when the new list came out they were not approved. They were mistakenly certified and they don't qualify. The chairman said he would contact Jamie Schwartz and if there is a problem that needs to be addressed, will amend the bill on the floor.

Senator Kerr moved and Senator Thiessen seconded a motion to report HB 2498 as amended favorable for passage. The motion passed.

The committee considered HB 2469 which pertains to the certificates of value required of public utilities.

Senator Angell moved and Senator Ehrlich seconded a motion to report HB 2469 as amended favorable for passage. The motion carried with Senator Burke voting "no".

The committee reconsidered HB 2154 which establishes the tax situs for sales of services. The bill had been referred back to the committee from Ways and Means for action.

Senator Allen moved and Senator Kerr seconded a motion to adopt the proposed amendment to provide a \$10,000 threshold in the bill. (See Attachment #1 in March 31 minutes.) The motion passed.

Senator Allen moved and Senator Johnston seconded a motion to report HB 2154 as amended favorable for passage.

Senator Angell made a substitute conceptual motion which would provide for a 1¢ state-wide sales tax, repeal county, city options (except for those that already have more than 1¢), move units above a 1¢ total back on a pro-rated basis and for those that have enacted such a tax, the mill levy is adjusted back and a new tax lid is established.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,  
room 526-S, Statehouse, at 11:00 a.m./~~p.m.~~ on APRIL 5, 19 83

The chairman indicated he would prefer a conceptual motion to introduce a bill to be brought back, then meet again so there would be opportunity for Ernie Mosher, Fred Allen, and others to testify; and to gather data on the 1 and 1 1/2¢ sales tax. Senator Angell withdrew his motion.

Senator Angell made a substitute conceptual motion that a bill be prepared which would mandate a 1¢ statewide sales tax and that the committee recommend to the Ways and Means Committee that the bill be introduced and referred back to the Assessment and Taxation Committee. Senator Kerr seconded the motion and the motion passed.

Senator Chaney moved and Senator Mulich seconded a motion to report HB 2154 as amended favorable for passage. The chairman indicated he would have the bill held on the calendar until the issue of a statewide sales tax is determined. The motion passed.

The committee considered SB 387 which pertains to the motion picture industry. The chairman asked for a motion on the bill and there was none.

The chairman adjourned the meeting at 11:50 a.m.

ASSESSMENT AND TAXATION

OBSERVERS  
(PLEASE PRINT)

DATE	NAME	ADDRESS	REPRESENTING
April 5	Jessie Clouch	Sola, Kansas	Talkington
	Bretchen Quincy	Sola, Kansas	Talkington
	Ron Gaches	TOPEKA	KIACI
	Pat Hill	Topeka	Kansas Railroad Assoc.
	Tom Whitaker	Topeka	Ks Motor Carriers Assn
	Gerald Riley	Highway	Kc Ass of Wharf Comm
	Chip Wheeler	Topeka	Leg. Policy Group
	Chris McKenzie	"	League of Ks. Municipal
	Janet Stubbs	"	KBAK
	David Frietas	Wichita	Chamber
	DAN MORGAN	Topeka	AGC of KS
	Bob West	"	Nat'l Elec. Contr.
	DUD GRANT	"	KACI
	Ron Colbert	NEWTON	U.J.U.
	Jac K McGlothlin	Pittsburg	UTA
	Phil Martin	Topeka	PUD
	Carol Bonebrake	"	"
	JANICE MARCUM	"	"
	Bill Edds	"	REVENUE
	M. Beshung	"	"
	John Mint	Topeka	KLA
	M. Hawon	"	Capital Journal
	Joe Warren	Senato	

4-5-83

## Proposed Amendment to HB 2498

"Sec. 5. K.S.A. 1982 Supp. 79-3641 is hereby amended to read as follows: 79-3641. All sales tax paid on the sale of tangible personal property or services purchased for the purpose of and in conjunction with constructing, equipping, reconstructing, ~~maintaining~~---~~repairing~~ or enlarging or remodeling a new business facility located within an enterprise zone, which qualifies for an income tax credit under K.S.A. 1982 Supp. 79-32,153, and amendments thereto, and all sales tax paid on the sale and installation of manufacturing machinery and equipment purchased and installed in conjunction with the establishment of such a facility, shall be refunded to the purchaser of such tangible personal property or services upon a proper claim having been submitted therefor. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this section. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee. This section, as amended by this act, shall govern all claims for refund filed after the effective date of this act."

Atch. 1