

MINUTES OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION

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

9:10 a.m. on January 17, 1984 in room 519S of the Capitol.

All members were present except:

Representative Joan Adam who was excused.

Committee staff present:

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

Conferees appearing before the committee:

Harley Duncan, Revenue Department  
Jack McCord, Revenue Department  
Bob Clelland, Revenue Department  
Phil Wilks, Revenue Department  
Bill Edds, Revenue Department  
Patricia Gorham, Kansas Corporation Commission  
Don Schnacke, KIOGA  
L. O. Tenk, EKOGA

Wayne Morris, of staff, gave a review of Proposal No. 3 - Severance Tax Administration and the report of the Special Committee on Assessment and Taxation as presented in the Report on Kansas Legislative Interim Studies to the 1984 Legislature. Proposal No. 3 charged the committee to:

Receive a report from the Department of Revenue on the implementation and administration of the severance tax and consider any legislation needed to improve administration of the tax.

The Chairman then introduced Harley Duncan, Secretary of Revenue, who in turn introduced the Department of Revenue personnel who were in attendance at the hearing.

Bill Edds, Department of Revenue, gave testimony in support of House Bill 2613 which was the product of the Special Committee on Assessment and Taxation. House Bill 2613 would make technical amendments to the severance tax legislation which was passed during the 1983 session of the legislature. Mr. Edds presented two amendments (Exhibit I) to House Bill 2613. These amendments would merely make the intent of the legislation clearer.

Don Schnacke, representing the Kansas Independent Oil and Gas Association, testified in support of the manner in which the Department of Revenue has administered the severance tax law. He stated that the Department has been very cooperative in working with the industry. He stated that his Association has been intervening in the tax appeals cases that have been filed as an outcome of the severance tax.

Larry Tenk, a member of EKOGA, stated that he had some reservations as to how the number of operating days are computed under the bill. The chairman assured Mr. Tenk that the bill does not outline how operating days are computed but that the Department of Revenue will outline the computation of operating days in a Department regulation.

The meeting was adjourned at 10:15 a.m.



SUGGESTED AMENDMENTS TO HOUSE BILL 2613

On page two, in line 81, by striking "from a"; by striking all of line 82;

On page three, by striking all of line 83; in line 84, by striking "lease or production unit,"; also in line 84, after "less" by inserting "per producing well"; in line 89, by striking all after "production"; by striking all of line 90; in line 91, by striking "such wells,"; also in line 91, after "less" by inserting "per producing well"; in line 99, by striking "from"; by striking all of line 100; in line 101, by striking all in front of "resulting"; in line 102, after "less" by inserting "per producing well"; by striking all of line 107; in line 108, by striking all in front of "resulting"; in line 109, after "less" by inserting "per producing well";

On page four, in line 142, by striking all after "pool" where it appears for the first time; by striking all of lines 143 and 144; in line 145, by striking all in front of the semicolon;