

Approved 4-29-84  
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by SENATOR PAUL "BUD" BURKE at  
Chairperson

11:00 a.m. ~~p.m.~~ on March 5, 1984 in room 526-S of the Capitol.

All members were present except: Senator Mulich, excused

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

Conferees appearing before the committee:

The chairman reported to the committee that the following bills would be considered for passage:

SB 815 and 817, which are sponsored by the exempt committees, will be held in committee for action at a later date after the subcommittees have returned with proposed amendments.

SB 799, which makes changes in the tax rates and provides for indexing of the income tax brackets.

Senator Angell moved and Senator Thiessen seconded a motion to recommend that SB 799 be referred to the Ways and Means Committee. The motion passed.

SB 798, which makes changes in the Kansas Income Tax Act.

Senator Johnston moved and Senator Allen seconded a motion to amend SB 798 on Page 2, in line 80, after "return" by inserting "due to negligence or intentional disregard of the provisions of the act of which this act is amendatory or rules and regulations promulgated thereunder, but without intent to defraud". The motion carried.

Senator Kerr made a conceptual motion to further amend SB 798 to reinsert lines 26 through 31 to retain the amounts of the checkoff for the wildlife program and strike the remaining language in lines 31 through 34. Senator Hayden seconded the motion and the motion carried.

Senator Kerr moved and Senator Hayden seconded the motion to report SB 798 favorable for passage as amended. The motion passed.

SB 762, appeals from orders of the Board of Tax Appeals.

Tom Severn reported this bill clarifies that an appeal may be taken only following the denying of a rehearing or the issuing of an order upon rehearing. Line 100 concerns the grounds for the appeal and the third change clarifies the priority to be given certain appeals by the judicial administrator.

Senator Angell moved and Senator Hayden seconded a motion to report SB 762 favorable for passage. The motion passed.

SB 705, sponsored by Senator Chaney, pertains to distribution of the proceeds of a state tax levy for higher education to community colleges and municipal universities.

Senator Johnston moved and Senator Ehrlich seconded a motion to report SB 705 favorable for passage.

The chairman reported the fiscal note indicated a loss to the educational building fund of approximately \$3.8 million in 1984 and by at least \$38

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million over the next ten years. He objects too because this bill puts the tax committee in conflict with the Ways and Means Committee. Senator Angell believes it would be more appropriate if another mill levy were voted to support the junior colleges. The motion failed to pass.

SB 680, which exempts PTA's from collecting the retail sales tax at their fundraisers.

Senator Hayden made a motion to report 680 favorable for passage. There was no second.

SB 670, amends the homestead property tax refund act.

Tom Severn explained the concept of this bill was to provide that an individual would get the same benefits in spite of the cost of living adjustments under social security income. He didn't comprehend the intent correctly and the original language of the bill indexed benefits in the traditional way so that everything went up at the rate of inflation or in the same percentage as the cost of living. Under the suggested amendment, the benefits will remain the same in spite of cost of living adjustments. There were conceptual motions to strike on line 71, "dollar amount of" and line 74, "income". He noted that the homestead claimants never see this schedule, so that it did not need to be rounded. Under (c), the benefit table in the homestead form would be rounded anyway.

Senator Thiessen made a conceptual motion and Senator Allen seconded the motion to remove the amendment which the committee adopted earlier, and in addition, strike lines 76 following the period through line 80. The motion passed.

Senator Thiessen moved and Senator Montgomery seconded a motion to report SB 670 as amended favorable for passage. The motion carried.

SB 624, which would exclude from state taxable income all amounts received as benefits under Title II of the Social Security Act or as tier I railroad retirement benefits under the Railroad Retirement Act.

Senator Ehrlich moved and Senator Allen seconded a motion to report SB 624 favorable for passage. The motion carried.

SB 597, which provides authority for county commissioners to abate or provide credit against property taxes levied upon residential property destroyed by calamity.

Senator Hayden moved and Senator Thiessen seconded a motion to report SB 597 favorable for passage. The motion passed.

SB 487, provides for a credit for contributions of qualified instructional equipment to certain institutions of post secondary education.

Senator Montgomery, subcommittee chairman, noted they had suggested the language denote qualified vocational programs, but that didn't go. He said the interim committee had suggested this as a pilot project.

Senator Montgomery moved and Senator Allen seconded a motion to report SB 487 favorable for passage.

The chairman expressed concern because taxpayers can already take a deduction; and if the incentive is to provide tax relief, there is already a provision for that. Another concern is that there is no vehicle for determining value in the bill. If we start trying to determine value, we need to have three appraisals on it or call the county appraiser in to look at it. This results in it getting complicated, plus the possibility of a large financial impact. Senator Montgomery said no one was taking advantage of contributing, and testimony during the interim indicated there might be some companies who could donate equipment. He said the schools support this legislation.

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The motion failed to pass with Senators Allen and Montgomery voting "yes".

SB 477, concerns the minimum payments and refunds.

It was noted the Dept. of Revenue had requested the bill be amended to delay the refunding of overpayments from 60 to 120 days in order to save the state money.

Senator Angell moved and Senator Ehrlich seconded a motion to report SB 477 favorable for passage. The motion carried.

SB 470, authorizes the levy of individual income taxes by school districts.

Senator Montgomery moved and Senator Angell seconded a motion to report SB 470 favorable for passage.

Senator Kerr commented that there is a problem with the bill in that it favors corporations and hurts individuals. Even though it reduces property taxes in some areas, he thinks there's a problem with starting down the path of a local option tax. Senator Montgomery said he thinks this is more fair than property tax and is an option. Senator Angell asked at what level the tax would kick in, and Senator Montgomery replied when imposed by any school district.

The motion passed. Senator Burke asked to be recorded as voting "no".

The meeting was adjourned at 11:52 a.m. The committee will meet on March 8 at 11:00 a.m.

