

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 14, 1984 in room 526-S of the Capitol.

All members were present except: Senator Johnston (excused)

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

Conferees appearing before the committee:

Representative Ben Foster  
Bill Edds, Department of Revenue

The chairman distributed copies of SB 798 and called attention to page 3, line 87, of the bill concerning "without intent to defraud".

Don Hayward indicated that section (d) speaks to fraud.

Bill Edds said the bill was meant to read like that, it was to take care of a purely negligent situation. It was felt that the department should have the option of whether the penalty should be imposed or not. With regard to the mandatory nature of this law, on line 88, the intent was to say "may" instead of "shall". The department was trying to take care of not filing or ignoring the law. The department's testimony, given earlier, was not to use the penalty just because someone made a mathematical error or something like that. With regard to section (b) a lot more is being read into this than what they intended to use it for, and they could come back next year with better wording, or recommend removing it from the bill.

The committee held a hearing on HB 2609 which allows inheritance tax credit for art works given to publicly supported Kansas museums.

The chairman recognized Representative Foster who said he sponsored this legislation to encourage donations to museums. The tax credit for the donations would be equal to 20% of the value of the donated art work, up to a maximum credit of \$5,000. If the inheritance tax credit is claimed, the donor of the art work would not be able to claim a charitable deduction for the contribution on his Kansas income tax return. He said the inheritance tax isn't paid but is offset by the contribution to the state, and these donations would take place infrequently.

In response to an inquiry about why is it better to receive this work of art than pay the inheritance tax and what is the amount of inheritance tax involved, Wayne Morris said this would vary widely according to the income class level of the distributee. He said spouses are completely exempt; children have \$30,000 exemption; and brothers and sisters \$5,000. The staff was requested to prepare examples based on income level.

The chairman called attention to the new Real Estate Assessment/Sales Ratio Study which should be on their desks in the Senate today, particularly page 24 where the statewide summary is shown and the classes and categories of property are changed.

The chairman adjourned the meeting at 11:35 a.m. The committee will meet March 15 at 11:00 a.m.

11 a.m.

ASSESSMENT AND TAXATION

OBSERVERS  
(PLEASE PRINT)

DATE                      NAME                      ADDRESS                      REPRESENTING

MARCH 14

D. Ferrell

Topeka

Budget

Bill EADS

"

REVENUE

Cindy Harmonson

KCMO

visiting