

Approved On: 4/9/87

Minutes of the House Committee on Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 9:00 a.m. on April 1, 1987 in room 519 South at the Capitol of the State of Kansas.

The following members were absent (excused):

Representatives Adam and Vancrum

Committee staff present:

Tom Severn, Legislative Research
Chris Courtright, Legislative Research
Don Hayward, Reviser of Statutes
Millie Foose, Committee Secretary

HB-2211 - AN ACT relating to income taxation; defining internal revenue code. Representative Fuller moved, second by Representative Shore, that HB-2211 be passed favorably and placed on the consent calendar. The motion carried.

SB-240 - AN ACT relating to property taxation; concerning contents of notices provided to taxpayers relating to valuation of property. Representative Smith moved, second by Representative Grotewiel, that SB-240 be passed favorably. The motion carried.

SB-48 - AN ACT relating to income taxation; requiring the submission of mineral production payment reports; requiring the withholding of mineral production payments in certain cases and prescribing procedures therefor. Representative Smith moved, second by Representative Fuller, that the proposed amendment requested by the Department of Revenue be passed. (Attachment 1) The motion carried. Representative Shore moved, second by Representative Aylward, that SB-48 as amended be passed favorably. The motion carried.

HB-2177 - AN ACT relating to income taxation; concerning the Kansas taxable income of a corporation. Representative Rolfs explained foreign source dividends and Secretary Harley Duncan explained the bill further and discussed the cost and the benefits to the state of Kansas. After considerable committee discussion, Representative Lowther moved, second by Representative Fox, that HB-2177 be reported favorably. The motion carried.

HB-2002 - AN ACT relating to property taxation; concerning certain hospital property exempt therefrom. Representative Smith moved conceptually, second by Representative Fox, that no hospital can participate in for-profit activities not related to the hospital. The motion carried. Representative Fox moved, second by Fuller, that HB-2002 as amended be reported favorably. Motion carried.

SB-195 - AN ACT relating to watercraft; as previously amended by the committee. Representative Fox moved, second by Representative Lowther, that SB-195 as amended be reported favorably. Motion carried.

The minutes of the previous meeting were approved. The meeting was adjourned.


Ed C. Rolfs, Chairman

PROPOSED AMENDMENT TO SENATE BILL NO. 48

New Section 1. (a) In the case of a first sale of natural gas for irrigation, the place of use or point of diversion of the water shall not be a factor in requesting abandonment of interstate gas to the federal energy regulatory commission by any producer or pipeline company operating in the Hugoton gas field in the state of Kansas, provided the natural gas is used within a radius of five miles from the gas well from which it was produced.

(b) "First sale" means a first sale as that term is defined in 15 U.S.C. 3301(21).

New Sec. 2. Jurisdiction to implement and enforce the provisions of section 1 is hereby conferred on the state corporation commission of Kansas. The commission may adopt necessary rules and regulations to implement and enforce the provisions of this act.