

Approved On: 5/3/87

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 30, 1987 in room 519 South at the Capitol of the State of Kansas.

All members of the Committee were present.

Committee staff present:

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

The Chairman presented several conflict resolution bills for introduction and the committee agreed by consensus to introduce the bills. The committee also agreed to allow the chairman, with the consent of the ranking minority member, to introduce any bill dealing with conflicts which do not contain major policy questions.

Chairman E. C. Rolfs discussed SB-1 - An Act relating to severance tax; concerning exemptions therefrom for the severance and production of oil and coal; (excluding salt therefrom). Representative Rolfs proposed an amendment to this bill that will authorize the Secretary of Revenue to determine from statistics compiled and provided by the United States Department of Energy the average price per barrel paid by the first purchaser of crude oil in this state for the three-month period immediately preceding the applicable date, to be used for the purpose of determining exemptions allowed. (Attachment 1)

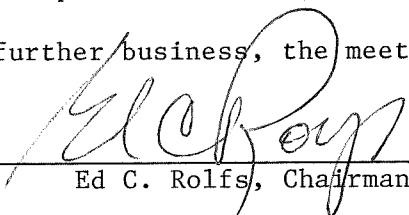
Representative Lowther moved, second by Representative Crowell, that SB-1 be amended per attachment 1. The motion carried.

Representative Fox moved, second by Leach, that the exemption for coal be structured at 250,000 ton base level exemption for 1988; 350,000 tons for 1989; and 500,000 tons for 1990 and years thereafter. Motion carried.

Representative Crowell moved, second by Representative Fox, to report SB-1, as amended, favorably. The motion carried.

The minutes of the previous meeting were approved.

There being no further business, the meeting was adjourned.


Ed C. Rolfs, Chairman

Note: If there are any corrections, please call 7669. Otherwise, the minutes will be approved.

Proposed Amendment to SB 1
(As Amended by Senate Committee of the Whole)

On page 3, in line 92, by striking all after the second "or"; by striking all in line 93; in line 94, by striking all before "which" and inserting ", if the price of oil as determined pursuant to subsection (d) is \$30 or less, whose average daily production is four barrels or less per producing well, or, if the price of oil as determined pursuant to subsection (d) is \$24 or less, whose average daily production is five barrels or less per producing well, or, if the price of oil as determined pursuant to subsection (d) is \$16 or less, whose average daily production is six barrels or less per producing well, or, if the price of oil as determined pursuant to subsection (d) is \$10 or less, whose average daily production is seven barrels or less per producing well,"; by striking all in line 110; in line 111, by striking all before "which" and inserting ", if the price of oil as determined pursuant to subsection (d) is \$30 or less, whose average daily production is five barrels or less per producing well, or, if the price of oil as determined pursuant to subsection (d) is \$24 or less, whose average daily production is six barrels or less per producing well, or, if the price of oil as determined pursuant to subsection (d) is \$16 or less, whose average daily production is seven barrels or less per producing well, or, if the price of oil as determined pursuant to subsection (d) is \$10 or less, whose average daily production is eight barrels or less per producing well,";

On page 4, after line 157, by inserting a new subsection to read as follows:

"(d) On July 15 and October 15 of 1987 and on January 15, April 15, July 15 and October 15 of each year thereafter the secretary of revenue shall determine from statistics compiled and provided by the United States department of energy, the average price per barrel paid by the first purchaser of crude oil in this

state for the three-month period immediately preceding the applicable date. Such price shall be used for the purpose of determining exemptions allowed by subsection (b)(2)(B) or (E)."