

Approved March 3, 1987
Date

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation

The meeting was called to order by Senator Fred A. Kerr at
Chairperson

11:00 a.m./p.m. on March 2, 1987 in room 519-S of the Capitol.

All members were present except:

Senator Bob Frey

Committee staff present:

Tom Severn

Chris Courtwright, Research

Don Hayward, Revisor's Office

Sue Pettet, Secretary to the Committee

Conferees appearing before the committee:

Senator Nancy Parrish

Senator Gerald Karr

Chairman Kerr called the meeting to order and stated that the agenda for the day was to conduct hearings on S.B. 219 and S.B. 220.

SENATE BILL 220

Senator Nancy Parrish testified in support of S.B. 220. She stated that because of the 1986 federal tax law revisions, approximately 60,000 Kansans would be required to pay state income tax for tax year 1987 who would not be required to pay federal income tax. Since the Kansas tax form requires the attachment of a copy of the federal form, those 60,000 Kansans would be burdened with figuring their federal adjusted gross income for the purpose of paying state taxes. She felt that the equity of the state income tax system would be harmed and that the taxpayers and the Department of Revenue unnecessarily burdened.

She said that the fiscal note for the bill would be approximately \$1.8 million for tax year 1987 and \$3.0 million dollars for tax year 1988. (Attachment 1)

SENATE BILL 219

Senator Karr testified in support of S.B. 219. He stated that this is a bill requested to address changes and impacts on state income tax payers resulting from the 1986 federal tax law changes. He said that prior to the 1986 Federal Act there were provisions for a double exemption for the elderly and blind. This enabled those persons to have an extra \$1,000 exemption on their state income tax. Since the federal law included significant increase in the standard deduction and personal exemption, the extra exemption was dropped. Since the state currently conforms in this area, the \$1,000 state exemption would be lost. The fiscal note was estimated to be \$6.8 million on S.B. 219. Some 170,000 people would be affected.

Senator Warren testified in support of S.B. 219. He stated that he felt it would be wrong to inadvertently increase revenues from the categories of the elderly and blind.

Steve Stotts stated that prior to the Federal Tax Reform, the federal government allowed the double personal exemption for elderly and blind taxpayers. The tax reform eliminates the double exemption since Kansas conforms to the number of personal exemptions on the federal form. The Department of Revenue would also conform to the elimination of the double exemption.

Chairman Kerr stated that since the House would be considering the comprehensive income tax revisions contained in H.B. 2543, that he preferred to delay action on S.B. 219 and S.B. 220.

Senator Thiessen made a motion to accept the minutes of February 26, 1987 meeting. Senator Hayden seconded. Motion carried. Meeting adjourned.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

SENATE BILL 220

Kansas Department of Revenue
Individual Income Tax In Tax Year 1986
Resident Taxpayers
Impact By Bracket
SENATE BILL 220

K.A.G.I. Bracket	Married			Single			Total Residents								
	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate					
No K.A.G.I.	11,263	0.0%	\$0.00	\$0.00	0.0%	5,789	0.0%	\$0.00	\$0.00	0.0%	17,053	0.0%	\$0.00	\$0.00	0.0%
\$0 \$5,000	14,947	-100.0%	(\$13,775.51)	(\$0.92)	0.0%	104,105	-54.0%	(\$551,710.20)	(\$5.30)	0.2%	119,053	-54.7%	(\$565,485.71)	(\$4.75)	0.1%
\$5,000 \$15,000	73,895	-11.3%	(\$786,102.04)	(\$10.64)	0.8%	166,421	-0.6%	(\$182,318.37)	(\$1.10)	1.8%	240,316	-2.7%	(\$968,420.41)	(\$4.03)	1.5%
\$15,000 \$25,000	98,842	-0.2%	(\$68,530.61)	(\$0.67)	1.7%	85,158	0.0%	\$0.00	\$0.00	3.0%	184,000	-0.1%	(\$68,530.61)	(\$0.36)	2.3%
\$25,000 \$35,000	106,947	0.0%	\$0.00	\$0.00	2.3%	34,421	0.0%	\$0.00	\$0.00	3.2%	141,368	0.0%	\$0.00	\$0.00	2.5%
\$35,000 \$50,000	118,842	0.0%	\$0.00	\$0.00	2.7%	15,263	0.0%	\$0.00	\$0.00	3.2%	134,105	0.0%	\$0.00	\$0.00	2.8%
\$50,000 \$100,000	78,842	0.0%	\$0.00	\$0.00	3.0%	6,947	0.0%	\$0.00	\$0.00	3.9%	85,789	0.0%	\$0.00	\$0.00	3.1%
\$100,000 Over	10,947	0.0%	\$0.00	\$0.00	3.9%	1,684	0.0%	\$0.00	\$0.00	4.5%	12,632	0.0%	\$0.00	\$0.00	4.0%
Total	514,526	-0.2%	(\$866,408.16)	(\$1.68)	2.7%	419,789	-0.4%	(\$734,028.57)	(\$1.75)	2.8%	934,316	-0.2%	(\$1,600,436.73)	(\$1.71)	2.7%
Fiscal Impact:			(\$866,408.16)					(\$734,028.57)					(\$1,600,436.73)		
All Taxpayers:			(\$1,776,544.90)			Non-Resident:		(\$176,108.16)							

Sen. A & T
3/2/87

TAX YEAR 1988
SENATE BILL 220

Kansas Department Of Revenue
Individual Income Tax In Tax Year 1986
Resident Taxpayers
Impact By Bracket
SENATE BILL 220

K.A.G.I. Bracket	Married					Single					Total Residents				
	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Increase	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
1/2 K.A.G.I.	11,263	0.0%	\$0.00	\$0.00	0.0%	5,789	0.0%	\$0.00	\$0.00	0.0%	17,053	0.0%	\$0.00	\$0.00	0.0%
\$0 \$5,000	14,947	-100.0%	(\$13,775.51)	(\$0.92)	0.0%	104,105	-87.9%	(\$904,412.24)	(\$8.69)	0.0%	119,053	-88.1%	(\$918,187.76)	(\$7.71)	0.0%
\$5,000 \$15,000	73,895	-20.9%	(\$1,469,730.61)	(\$19.89)	0.7%	166,421	-0.7%	(\$206,093.88)	(\$1.24)	1.8%	240,316	-4.6%	(\$1,675,824.49)	(\$6.97)	1.5%
\$15,000 \$25,000	98,842	-0.4%	(\$154,387.76)	(\$1.56)	1.7%	85,158	0.0%	\$0.00	\$0.00	3.0%	184,000	-0.2%	(\$154,387.76)	(\$0.84)	2.3%
\$25,000 \$35,000	106,947	0.0%	\$0.00	\$0.00	2.3%	34,421	0.0%	\$0.00	\$0.00	3.3%	141,368	0.0%	\$0.00	\$0.00	2.6%
\$35,000 \$50,000	118,842	0.0%	\$0.00	\$0.00	2.7%	15,263	0.0%	\$0.00	\$0.00	3.5%	134,105	0.0%	\$0.00	\$0.00	2.8%
\$50,000 \$100,000	78,842	0.0%	\$0.00	\$0.00	3.1%	6,947	0.0%	\$0.00	\$0.00	4.2%	82,789	0.0%	\$0.00	\$0.00	3.2%
\$100,000 Over	10,947	0.0%	\$0.00	\$0.00	3.9%	1,684	0.0%	\$0.00	\$0.00	5.2%	12,632	0.0%	\$0.00	\$0.00	4.2%
Total	514,526	-0.3%	(\$1,637,893.88)	(\$3.18)	2.7%	419,789	-0.6%	(\$1,110,506.12)	(\$2.65)	2.9%	934,316	-0.4%	(\$2,748,400.00)	(\$2.94)	2.7%
Fiscal Impact:			(\$1,637,893.88)					(\$1,110,506.12)					(\$2,748,400.00)		
All Taxpayers:			(\$3,003,453.06)			Non-Resident:		(\$255,053.06)							