

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation

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

11:30 a.m./~~p.m.~~ on May 2, 1987 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Tom Severn, Research
Chris Courtwright, Research
Don Hayward, Revisor's Office
Sue Pettet, Secretary to the Committee

Conferees appearing before the committee:

Chairman Fred Kerr called the meeting to order and explained that the House had recently passed S.B. 309. The meeting was to discuss the changes made in the bill since it left the Senate. Chairman Kerr asked Tom Severn, Research to explain the changes. Line and page references are to the bill as amended by House committee.

1. Interstate Telephone - Interstate telephone calls will continue not to be taxed. House committee amendments would instigate such a tax but floor amendments removed the tax.
2. Non-Profit Tissue and Organ Banks - Line #517 and 518 of page 14 would exempt all sales of non-profit tissue and organ banks. There is an organ bank in Salina. The fiscal note would not be significant.
3. Farm Machinery and Equipment - Line #734 and 735 of page 20 would exempt used farm machinery and equipment used in the operation of feedlots. Such items have not been subject to sales tax in past years.
4. WIC - Sub-section "ii" on page 22 would exempt property purchased with federal vouchers from the supplemental women, infants, and children food program. There would be no significant fiscal note.
5. Mobile Homes - Line #819 would delay the effective date until July 1, 1988. Fiscal note would be approximately \$532,000 starting in fiscal 1989.
6. Lines 789 - 791 are intended to clarify the statute so that it reads in the manner intended from last legislative session when it was amended.
7. Nonprofit Nursing Homes Supplies and Equipment - Line #827 of page 23 would exempt certain medical supplies and equipment purchased by non-profit nursing homes not used for human habitation purposes. Currently such items are exempt if purchased by non-profit hospitals or by individuals. Fiscal note is approximately \$40,000 in sales tax.
8. Line #834 of page 23 would exempt items purchased for such organizations as Boy Scouts, Girl Scouts, YWCA, YMCA for their programs and would not apply to purchases for human habitation, i.e. camps. Materials exempt would be paper, books, etc. There is no fiscal impact compared to past years.
9. Mental Health and Mental Retardation Centers - Line # 840, page 23 would exempt property purchased by nonprofit organizations for non-sectarian comprehensive, multidiscipline youth development programs, certain property purchased by qualifying mental health and mental retardation centers not used for human habitation purposes. The fiscal note is basically non-existent. They have been inappropriately exempted up to now.

A similar issue not in the bill pertains to the Cosmosphere in Hutchinson. They feel they are an educational institution and the Dept. of Revenue disagrees. Chairman Kerr gave the committee time for discussion concerning whether to have a conference committee.