

x Keith Roe
Approved 1/19/89 Date

MINUTES OF THE House COMMITTEE ON Taxation

The meeting was called to order by Representative Keith Roe at
Chairperson

9:00 a.m./~~p.m.~~ on January 18, 1989 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
Lenore Olson, Secretary

Conferees appearing before the committee:

Ed Rolfs, Secretary of Revenue
Dr. George Goebel, AARP
Roland Smith, Exec. Director of Wichita Independent Business Ass'n.

Five committee bills were introduced.

A motion was made by Representative Fuller and seconded by Representative Grotewiel to introduce a bill to give the Secretary of Revenue authority to compromise tax liabilities. The motion passed.

A motion was made by Representative Fuller and seconded by Representative Pottorff to introduce a bill on exemptions of LP fuel for city vehicles. The motion passed.

A motion was made by Representative Wagon and seconded by Representative Spaniol to introduce a bill to increase the homestead exemption and provide property tax relief for effects of reappraisal.

A motion was made by Representative Roe and seconded by Representative Dean to introduce a bill for collection of sales tax on situs motor vehicles. The motion passed.

A motion was made by Representative Pottorff and seconded by Representative Wagon to introduce a bill on tax credits for home care for the elderly. The motion passed.

Secretary of Revenue Ed Rolfs testified in support of HB 2033, the Kansas Taxpayer's Bill of Rights. We will approach our tax collection duties with fairness and common sense. Taxpayers will be informed of their appeal rights within our tax system and can rely on advice from the Department of Revenue. If there is negligence on the part of a Department employee in assessing tax due or notifying a taxpayer of the amount owed, interest will not be charged for the period of delay. Liens against a taxpayer's property will be released within 30 days of payment of amount due. Should a case arise where the Department of Revenue asserts a claim which is without a reasonable basis in law or fact, and a taxpayer is forced to litigate a matter unnecessarily, attorney fees and related expenses may be awarded to the taxpayer. The Kansas Department of Revenue's mission is to make the state tax system fair, efficient, stable, competitive and understandable. (Attachment 1)

Dr. George Goebel, a member of the AARP State Legislative Committee, testified in behalf of HB 2033. We commend Gov. Hayden for including support in his "State of the State Message" to the Ks. Legislature for enactment of a taxpayer's "Bill of Rights" and to the Committee on Taxation for introduction of this proposed legislation. (Attachment 2)

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation,
room 519-S, Statehouse, at 9:00 a.m. ~~p.m.~~ on January 18, 1989.

Roland Smith, Executive Director of the Wichita Independent Business Association testified in support of HB 2033. He reported on all the work that has been done in the last 18 months on parts of lines 28 through 33 regarding private letter rulings. He stated that it helps to solve a great deal of problems they found existed in rulings in the graphic arts and advertising agencies area, and they welcome that whole-heartedly. He also thanked the committee members for the work they have done.

Chairman Roe adjourned the hearing on HB 2033.

The meeting adjourned.



KANSAS DEPARTMENT OF REVENUE

Division of Taxation

Robert B. Docking State Office Building
Topeka, Kansas 66625-0001

MEMORANDUM

**TO: THE HONORABLE KEITH ROE, CHAIRMAN
HOUSE COMMITTEE ON TAXATION**

**FROM: ED C. ROLFS
SECRETARY OF REVENUE**

**RE: HOUSE BILL 2033
TAXPAYER BILL OF RIGHTS**

DATE: JANUARY 18, 1989

I appreciate the opportunity to appear before you today in support of House Bill 2033, the Kansas Taxpayer's Bill of Rights. As Governor Hayden said in his State of the State Message "This law will formalize our pledge to all Kansans that we will approach our tax collection duties not only with vigor, but with fairness and a large measure of common sense."

This bill would provide Kansas citizens the following safeguards:

1. Taxpayers will be adequately informed of their appeal rights within our tax system.
2. Taxpayers can rely on advice they receive from the Department of Revenue.
3. The Department of Revenue will not evaluate its' employees performance base on amounts of assessments made.
4. If negligence on the part of a Department employee causes undue delay in assessing tax due or notifying a taxpayer of the amount owed, interest will not be charged for the period of the delay.
5. Liens against a taxpayer's property will be released within 30 days of payment of the amount due.
6. Should a case arise where the Department of Revenue asserts a claim which is without a reasonable basis in law or fact, and a taxpayer is forced to litigate a matter unnecessarily, attorney fees and related expenses may be awarded to the taxpayer.

The mission of the Kansas Department of Revenue is to make the state tax system fair, efficient, stable, competitive and understandable. We believe that our system of voluntary compliance is greatly enhanced if taxpayers are informed about the tax law and how our system works. The taxpayer bill of rights will formalize and codify our belief that taxpayers deserve to be informed and dealt with fairly.

I would be happy to respond to any questions you may have.

*Director of Taxation (913) 296-3044 • Income & Inheritance Tax Bureau (913) 296-3051
Business Tax Bureau (913) 296-2461 • Mineral Tax Bureau (913) 296-7713
Audit Services Bureau (913) 296-7719*

*1/18/89
Attachment 1*



KANSAS STATE LEGISLATIVE COMMITTEE

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Mr. Frank H. Lawler
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1400 Lilac Lane, #302
Lawrence, KS 66044
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To: Committee on Taxation of the House of Representatives;

Mr. Chairman:

I am Dr. George Goebel, a member of the State Legislative Committee of the American Association of Retired Persons.

We are appreciative of this opportunity to indicate AARP's support of the provisions of H.B. 2033 which would assure basic due process rights for Kansas tax payers.

We commend Governor Hayden for including support in his "State of the State Message" to the Kansas Legislature for enactment of a tax payer's "Bill of Rights" and to the Committee on Taxation for introduction of this proposed legislation.

Thank you for this occasion to speak in behalf of HB 2033. We believe that enactment of this legislation will further improve the tax code of our state.

If you have questions, I will endeavor to respond to them.

Dr. George Goebel
Member of AARP
State Legislative Committee