

Approved 2/8/89
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 February 7, 1989 in room 519-S of the Capitol.

All members were present except:

Representative Aylward, excused
Representative Long, absent
Representative Reardon, excused

Committee staff present:

Chris Courtwright, Research
Don Hayward, Revisor's Office
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

George A. Donatello, Reappraisal Coordinator
John R. Luttjohann, Director of Taxation

George Donatello testified in support of HB 2003. (Attachment 1)
He stated that they believe that this bill gives them ample legislative authority to deal with implementing statewide reappraised values and that K.S.A. 79-1451 only serves to complicate the reappraisal project.

Chairman Roe concluded the hearing on HB 2003.

Representative Lowther gave a brief explanation of the purpose of HB 2157.

John Luttjohann testified on HB 2157. He stated that total elimination of the accelerated payment provisions would certainly reduce the complexity of our current filing system, both for taxpayers and the Department. However, the estimated fiscal impact is large. The net impact in Fiscal Year 1990 of the provisions in the bill would be a State General Fund loss of \$24.7 million. (Attachment 2)

Chairman Roe concluded the hearing on HB 2157.

A motion was made by Representative Spaniol and seconded by Representative Snowbarger to pass HB 2003. The motion carried.

The minutes of February 2, 1989, were approved.

The meeting adjourned.



KANSAS DEPARTMENT OF REVENUE
Division of Property Valuation
Robert B. Docking State Office Building
Topeka, Kansas 66612-1585

MEMORANDUM

TO: House Tax Committee
FROM: George A. Donatello, Reappraisal Coordinator
DATE: February 7, 1989
SUBJECT: HOUSE BILL 2003 (ATCHISON COUNTY REAPPRAISAL BILL)

George A. Donatello

K.S.A. 79-1451, sometimes referred to as the Atchison County Reappraisal Bill, was passed into law in 1978. The purpose of the bill was to prohibit one county from reappraising its real estate unless all counties reappraised. It required that the director of property valuation certify that reappraisals of all properties in all counties had been completed before any one county could place its reappraised values on their tax roll.

This legislation is unnecessary and could ultimately delay the implementation of the statewide reappraisal program. All Kansas counties will not complete their reappraisal projects at the same time. Some might interpret this legislation in current form to mean that the hearing and appeals process could not begin in any county until all counties had completed their projects and been certified by the director as such. In effect, this statute could cause the entire reappraisal effort to come to a halt because one county had difficulty meeting its deadline. The problem is furthered by the fact that classification remains in effect as of January 1, 1989, whether reappraisal is completed or not.

K.S.A. 79-1476 requires that the director of property valuation determine that the reappraisal of all real property within a county is complete. After that determination, notification is to be given to the Governor and State Board of Tax Appeals. This certification is given to the counties before they send out change of value notices which must be mailed to property owners before March 1, 1989 (this date may be extended by the director if necessary). We believe that this gives us ample legislative authority to deal with implementing statewide reappraised values and that K.S.A. 79-1451 only serves to complicate the reappraisal project.

*2/7/89
Attachment 1*




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: JOHN R. LUTTJOHANN 
DIRECTOR OF TAXATION

RE: HOUSE BILL 2157

DATE: FEBRUARY 7, 1989

Thank you for the opportunity to appear today on House Bill 2157.

This proposal amends K.S.A. 79-3607 by deleting the special filing requirements currently imposed on retailers who remit more than \$32,000 in sales tax yearly. This will have the effect of abolishing the "accelerated" filers and having these types of retailers file just like any other monthly filer. The bill also changes the due dates of the returns from the 25th day to the 20th day of the month following the end of the reporting period. The proposed changes would take effect July 1, 1989.

Total elimination of the accelerated payment provisions would certainly reduce the complexity of our currently filing system, both for taxpayers and the Department. However, the estimated fiscal impact is large. The net impact in Fiscal Year 1990 of the provisions in the bill would be a State General Fund loss of \$24.7 million.

We would suggest that much filing complexity could be reduced by substituting a "deposit" requirement for the accelerated payment system presently in place. Rather than requiring a monthly pre-payment of one-half month's estimated liability, we could require an annual deposit equal to 1/24 of the estimated annual liability. For the vast majority of taxpayers, the amount of money on deposit with the state would be virtually the same, it simply would not fluctuate month to month. While there may be an adverse impact on those taxpayers whose business is seasonal, our experience has been that the prepayment amounts currently required do not fluctuate greatly.

We would certainly be willing to work with the Revisor to draft such a provision, and believe it could be done in such a manner as to have no significant fiscal impact.

If the Committee does decide to alter the due dates for returns, we would encourage a review of all excise tax returns, and would recommend a common due date be fixed.

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

2/7/89
Attachment 2