

Approved \_\_\_\_\_

4/6/89

Date

x *Keith Roe*

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 March 28, 1989 in room 519-S of the Capitol.

All members were present except:  
Representative Fuller, excused

Committee staff present:  
Tom Severn, Research  
Chris Courtwright, Research  
Don Hayward, Revisor's Office  
Lenore Olson, Committee Secretary

Conferees appearing before the committee:  
Senator Walker  
Martha Gabehart - KS Advisory Committee on Employment of Handicapped  
Ray Petty - Topeka Independent Living Resource Center  
Don Lindsey - United Transportation Union

Senator Walker testified in support of SB 283, stating that in the current law, the income guidelines are so low that very few people qualify for any significant tax credit. (Attachment 1)

Martha Gabehart testified in support of SB 283, stating that they believe the income limits specified in this bill are more realistic in terms of making the tax credit available to those who most need it. (Attachment 2)

Ray Petty testified in support of SB 283, stating that not forcing persons to seek public housing, or even be displaced from their own home because they have or acquire a disability is sound public policy. (Attachment 3)

Donald Lindsey testified in support of SB 283, stating that this bill is a positive move in the right direction. (Attachment 4)

Chairman Roe concluded the hearing on SB 283.

A motion was made by Representative Smith; seconded by Representative Wagon to report SB 42 favorable for passage. The motion carried.

A motion was made by Representative Harder; seconded by Representative Dean to pass SB 283 favorable for passage.

A substitute motion was made by Representative Wagon; seconded by Representative Branson to amend SB 283 starting with line 60 to change the Taxpayers Kansas Adjusted Gross Income and the percent of expenditures eligible for credit to: \$0 to \$20,000 = 100%, over \$20,000 but not over \$25,000 = 90%, over \$25,000 but not over \$30,000 = 80%, over \$30,000 but not over \$35,000 = 70%, over \$35,000 but not over \$40,000 = 60%, over \$40,000 but not over \$50,000 = 50%, and over \$50,000 = 0%. The substitute motion carried.

A motion was made by Representative Harder; seconded by Representative Pottorff to pass SB 283 as amended. The motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation

room 519-S, Statehouse, at 9:00 a.m./~~p.m.~~ on March 28, 1989

A motion was made by Representative Lowther; seconded by Representative Vancrum to amend HB 2529 as shown in the attached balloon. (Attachment 5) Representative Lowther withdrew his motion.

A motion was made by Representative Lowther; seconded by Representative Vancrum to conceptually amend HB 2529 in line 46 after "January 1, 1989," to insert the words "which property is otherwise used exclusively for the purposes for which an exemption may be granted pursuant to Section 13 of Article 11 of the Kansas Constitution." The motion carried.

Representative Snowbarger requested that the minutes show in lines 48 - 50 of HB 2529 that the intent of the committee was that monies used to pay off debts on the property being leased should be considered as being used for economic development purposes.

A motion was made by Representative Lowther; seconded by Representative Pottorff to introduce a bill relating to provisions for paying property taxes under protest. The motion carried.

The minutes of March 24, 1989, were approved.

The meeting adjourned.





TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS

MEMBER: CONFIRMATIONS  
EDUCATION  
ENERGY AND NATURAL RESOURCES  
FEDERAL AND STATE AFFAIRS  
PUBLIC HEALTH AND WELFARE

DOUG WALKER  
SENATOR, 12TH DISTRICT  
MIAMI, BOURBON, LINN,  
ANDERSON, ALLEN AND  
NEOSHO COUNTIES  
212 FIRST  
OSAWATOMIE, KANSAS 66064  
(913) 755-4192 (HOME)  
(913) 296-7380 (STATE CAPITOL)

TESTIMONY IN SUPPORT OF SB 283

Presented to: House Taxation Committee

March 28, 1989

I want to thank you for the opportunity to testify today in support of Senate Bill 283.

SB 283 increases the current residential handicapped accessibility tax credit income levels to a more realistic level. As you can see in the current law, the income guidelines are so low that very few people qualify for any significant tax credit.

Currently to receive maximum benefit from these tax credits, income would have to be \$5,000 or less per year. Any income over \$30,000 would disqualify a person from receiving any tax credit.

Beneficiaries of this type of tax credit are individuals or families who, in all probability, have incurred substantial expense due to an accident or some type of incapacitating medical problem. For these individuals or families, modifying their homes is a necessary requirement.

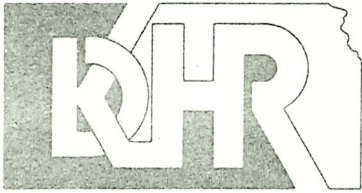
Nothing in the current statute has been changed except the table addressing Kansas adjusted gross income and the percentage of expenditure eligible for credit.

I would encourage your favorable consideration of SB 283.

*3/28/89  
attachment 1*

KANSAS

# DEPARTMENT OF HUMAN RESOURCES



## ADVISORY COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED

1430 S.W. Topeka Boulevard, Topeka, Kansas 66612-1877  
913-296-1722 (Voice) • 913-296-5044 (TDD) • 561-1722 (KANS-A-N)

Mike Hayden, Governor

Dennis R. Taylor, Secretary

TESTIMONY IN SUPPORT OF SENATE BILL 283  
Presented by Martha Gabehart, Employment & Training Liaison  
March 28, 1989

Thank you for the opportunity to speak in support of raising the income limits to claim a tax credit for making principal dwellings accessible. We believe the income limits specified in SB 283 are more realistic in terms of making the tax credit available to those who most need it.

The highest amount of money that can be claimed is \$1,250. This seems to be a reasonable amount of money to help keep someone who has a disability in their own home rather than being institutionalized.

Again, I thank you for the opportunity to comment on SB 283. I encourage you to pass the bill out of committee favorably.

ws\sb283

*3/28/89  
attachment 2*



## TOPEKA RESOURCE CENTER FOR THE HANDICAPPED

West Tenth Professional Building  
1119 West Tenth, Suite 2  
Topeka, Kansas 66604-1105

Telephone  
913-233-6323

Testimony presented to the House Taxation Committee  
in support of Senate Bill 283  
Ray Petty, Executive Director  
Topeka Independent Living Resource Center, Inc.  
Tuesday, March 28, 1989

Mr. Chairman and Members of the Committee:

Senate Bill No. 283 revises the sliding scale in the Kansas Accessibility Tax Credit to assist persons in need of accessibility modifications to their principal dwelling. The credit has been in effect since 1978, but to date usage has been extremely low. The Department of Revenue has estimated that persons taking this credit, whose maximum benefit is \$1,250, will not cause a general fund crisis. Original projections of costs were in the \$200,000 to \$300,000 range per year. Having talked with various personnel at Revenue both this year and in the past, I think it is fair to say that that amount has not been expended over the entire 10 year life of the credit.

Senate 283 nudges the sliding scale upward into a range of incomes where persons may have sufficient funds to invest in accessible housing. No person making over \$50,000 will have access to credit assistance. Persons at the low end of the scale receive three-fourths of the cost of making modifications, again up to the \$1,250 maximum. Incomes between \$40,000 and \$50,000 would be reimbursed at 15% of the cost for accessibility modifications. (In such a case, an investment in the neighborhood of \$8,000 for modifications would be required in order to recoup the full \$1,250). Percentages are graduated between these extremes.

One good feature of this statute, relative to the recently implemented federal Housing Amendments Act, is that tenants may take the credit for modifications to rental housing they occupy as their principal dwelling. The federal law gives renters the right to make such modifications at their own expense. [Landlords can take state business accessibility tax credits of 50% of the cost of modifications, or \$10,000, whichever is less].

[OVER]

*3/28/89  
Attachment 3*

The Board of Directors of the Topeka Independent Living Resource endorses this legislation, and I ask for your support of S. 283 on their behalf. The bill intends to help spread accessible housing around all communities in Kansas. Not forcing persons to seek public housing, or even be displaced from their own home because they have or acquire a disability is sound public policy. It helps people where they live.

Mr. Chairman, thank you for considering this bill and for allowing me the opportunity to testify on its behalf. I would attempt to answer questions.

# *united transportation union*

DONALD F. LINDSEY, JR.  
DIRECTOR/CHAIRMAN

KANSAS STATE LEGISLATIVE BOARD

1st AND MAIN STREET  
P.O. BOX 537  
OSAWATOMIE, KANSAS 66064  
OFFICE (913) 755-3191  
HOME (913) 755-3376

**STATEMENT OF DONALD F. LINDSEY, JR., DIRECTOR  
KANSAS STATE LEGISLATIVE BOARD  
UNITED TRANSPORTATION UNION  
IN SUPPORT OF S.B. 283**

**PRESENTED TO  
HOUSE TAXATION COMMITTEE  
HONORABLE KEITH ROE, CHAIRMAN**

Mr. Chairman and Members of the Committee, I am Don Lindsey, Director of the **Kansas State Legislative Board, United Transportation Union**. I am a duly elected officer, authorized to speak for our some 6,000 active and retired members and their families who reside in the State of Kansas. I appear in support of S.B. 283.

I became acutely aware of the many problems that families with physically impaired members face in March of 1988, when the 15 year old daughter of a member of my own local was involved in a traffic accident and left confined to a wheelchair, paralyzed from the waist down.

It is difficult to envision how one's family can cope with such a tragedy, and the sudden increase in expenses associated with such an accident. In visiting with this family and others, I have learned a great deal about the problems they have encountered and assure you this is not an isolated case. I and the members of the United Transportation Union feel strongly that the citizens of Kansas should do all in their power to help those less fortunate lead as near normal a life as possible by helping families to remodel their primary residence to accommodate a physically impaired family member.

S.B. 283 raises the adjusted gross income to qualify for a tax credit to a more realistic level, to help families who are required to remodel their homes for better accessibility. Many find, after doing extensive remodeling to their homes to accommodate their physically impaired child, spouse, or parent that their adjusted gross income excludes them from any help whatsoever from the state in the form of a tax credit. It is a tragedy, after a family's life is completely disrupted and they are faced with the unexpected expenses associated with caring for a physically impaired family member, the State of Kansas tells them they do not qualify for assistance because they make too much money.

S.B. 283 is a positive move in the right direction and we are pleased to see the limits raised. I know from visiting with these families that any assistance from the state is greatly appreciated.

I would ask the committee members to look closely at the many problems faced by the families of physically impaired individuals and do all in your power to help them cope with the extra burdens placed upon them. S.B. 283 is a start in that direction.

*3/28/89  
Attachment 4*



HOUSE BILL No. 2529

By Committee on Taxation

2-28

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AN ACT relating to property taxation; exempting certain property used for manufacturing, research and development or goods or commodity storage purposes.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. The following described property, to the extent herein specified, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

(a) ~~The board of county commissioners of any county or the governing body of any city may, by resolution or ordinance, as the case requires, exempt from all ad valorem taxation all or any portion of the appraised valuation of: (1) All buildings, together with the land upon which such buildings are located, and all tangible personal property associated therewith used exclusively by a business for the purpose of: (A) Manufacturing articles of commerce; (B) conducting research and development; or (C) storing goods or commodities which are sold or traded in interstate commerce, which commences operations after December 31, 1987; or (2) all buildings, or added improvements to buildings constructed after December 31, 1987, together with the land upon which such buildings or added improvements are located, and all tangible personal property purchased after such date and associated therewith, used exclusively for the purpose of: (A) Manufacturing articles of commerce; (B) conducting research and development; or (C) storing goods or commodities which are sold or traded in interstate commerce, which is necessary to facilitate the expansion of any such existing business, if, as a result of such expansion, new employment is created.~~ Property rented or leased, with or without an option to purchase, from a community based not-for-profit economic development corporation organized un-

3/28/89  
Attachment 5

44 der the laws of this state which is exempt from federal income  
 45 taxation pursuant to section 501(c)(6) of the federal internal revenue  
 46 code of 1986, as in effect on January 1, 1989, ~~shall be deemed to~~  
 47 ~~be used exclusively for the purposes of this section if such property~~  
 48 ~~is actually used only for such purposes and the moneys received~~  
 49 from such rental or lease ~~are~~ used solely for economic development  
 50 purposes by such corporation<sub>x</sub>

[must be

[in the county wherein lies the principal offices of the corporation.

51 (c) ~~(b)~~ Any ad valorem tax exemption granted pursuant to subsection  
 52 (a) shall be in effect for not more than 10 calendar years after the  
 53 calendar year in which the business commences its operations or  
 54 the calendar year in which expansion of an existing business is com-  
 55 pleted, as the case requires.

(b) For the purposes of the Act, community based not for profit economic  
 development corporation shall mean a corporation organized and existing  
 solely for the purpose of engaging in economic development activities and  
 improving the economic climate of the county wherein lies the corporations  
 principal place of business and wherein a tax exemption under this Act  
 is requested for the property being rented or leased.

56 (d) (c). The provisions of this section shall apply to all taxable years  
 57 commencing after December 31, 1987.

58 Sec. 2. This act shall take effect and be in force from and after  
 59 its publication in the statute book.

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