

Approved March 19, 1991
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Joan Wagnon at
Chairperson

9:10 a.m./~~p.m.~~ on March 4, 1991 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Tom Severn & Chris Courtwright, Legislative Research;
Don Hayward & Bill Edds, Revisors;
Linda Frey, Committee Secretary & Douglas E. Johnston, aide

Conferees appearing before the committee:

Chairman Wagnon called the committee to order at 9:10 a.m. for discussion and possible action on bills previously heard.

Requests were made for Legislative Research to provide a chart or worksheet which would enable individual taxpayers to analyze the effects of H.C.R. 5006 and H.C.R. 5007 on their individual tax bills.

Steve Stotts, Director of Taxation for the Dept. of Revenue, presented information regarding proposed changes in HB 2368, the Homestead Property Tax Refund Act. The changes included increasing the maximum refund from \$500.00 to \$600.00 and increasing the threshold amount to \$12,000 of household income (with no subtraction) and adjusted the rates to decrease to zero income refunds at \$20,000 household income. Stotts stated that the impact would be \$4.2 million on top of the \$6 million for a total of \$10.2 million for the amendment.

Stotts said the total fiscal impact would be \$19.3 million for the entire bill. The income deductions table would change as follows.

Zero to \$12,000, with no deduction
\$12,000 to 14,000, with a 2% deduction of any excess over \$12,000
\$14,000 to 16,000, with \$40 plus 8% of excess over \$14,000
\$16,000 to 20,000, with \$200 plus 10% excess over \$16,000

Concern was expressed that it had yet to be determined where the money would come from.

Rep. Reardon moved and Rep. Adam seconded amending HB 2368 to increase the maximum refund to \$600, to add \$4.2 million to the Homestead fund and to change the income deductions to conform with Stott's information. The motion carried.

In reply to a question, Stotts stated that the fiscal note on

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the effect of Rep. Vancrum's amendment from Friday, March 1, 1991 on HB 2368 would be small.

Rep. Smith moved and Rep. Pottorff seconded amending HB 2368 so that renters would have to have property tax refund checks co-signed by their landlords.

It was stated that the proposed amendment was offered to alleviate a problem of renters receiving a refund even if they were behind in their rent, and not paying the landlord.

Rep. Welshimer offered a substitute amendment seconded by Rep. Vancrum to eliminate renters from HB 2368. Division was requested. The motion carried with 14 votes.

Stotts stated in reply to a question that the fiscal note on HB 2368 would decrease by 20% as a result of eliminating renters from the bill.

Rep. Larkin moved and Rep. Ensminger seconded restoring the original definition of income to HB 2368.

There was some question as to whether the definition of income would include public assistance.

Bill Edds, Revisor, stated that current statutes prevented claims from recipients of public funds specifically designated for the payment of taxes.

Edds stated that if a claimant were on public assistance they would not be precluded from assistance under the Homestead Act.

The motion carried.

Rep. Reardon moved and Rep. Welshimer seconded to report HB 2368 favorable for passage as amended.

In reply to a question, Stotts stated that the fiscal note would be approximately \$8 million and that it was not in the Governor's budget. He further replied that the deletion of renters from eligibility in HB 2368 would decrease the total fiscal impact by about \$2 million.

The Chairman brought the motion to a vote. The motion failed.

Action was suspended on HB 2368.

Rep. Snowbarger moved and Rep. Larkin seconded to take from the table HB 2111. The motion carried.

The Chair asked Stotts to respond to committee concerns of the

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previous meeting. He stated that the current federal requirements cause taxpayers to remit 8 times per month. After comparing the federal dates to the proposed Kansas dates, Rep. Smith moved and Rep. Pottorff seconded to change the withholding payment date of the twenty-first so that each of the four withholding dates would conform to federal payment dates. The motion carried.

Rep. Larkin moved and Rep. Harder seconded to report HB 2111 favorable for passage.

After discussion, the motion carried.

Minutes for February 25, 26 and 27 were approved by unanimous consent.

The committee adjourned at 10:06 a.m.

GUEST LIST

COMMITTEE: Separation

DATE: 3/4/91

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
KEVIN ROBERTSON	Topeka	Ks Judging Assn.
KAREN FRANCE	Topeka	KAR
Jean - 14-511d	Topeka	Observer
R ANDERSON	OTTAWA	Mso Cont Oil & Gas
Alan Steppat	Topeka	Pete McGill & Associates
PATRICK J. HURLEY	Topeka	CESSNA
George Barber	Topeka	Ks Consulting Engne
Jeri Kerpock	Topeka	Am. Cancer Society
Ray Coles	Topeka	KNEA
Mark Tallman	Topeka	KASB
Christy Young	Topeka	Topeka Chamber of Comm
FRANCES KESTNER	topeka	Ks Food Dealers Assn
Amy Johnson	Manhattan	Water
Jim Maag	Topeka	KBA ² - Lenders
Don Smith	"	KBA - Lendee
Bob Hubbell	Topeka	Kans Railroad Assn.
Leanne's Individual	Salina	POTK
Shelley SUTTON	Topeka	Ks. ENGINEERING society
Pat Higgins	Topeka	Gov. Office - Leg. Affairs
T.O. Anderson	Topeka	RSCPA
Catherine Holdeman	Wichita	City of Wichita
Wm. Samuelson	Wichita	Self
Jeff Sanguin	Topeka	KNCSI
Steve Kuchan	Oklahoma Park	Yellow Freight Systems

