

Approved Thursday, January 31, 1991  
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Senator Dan Thiessen at  
Chairperson

11:00 a.m. ~~pm~~ on Wednesday, January 30, 1991 in room 519-s of the Capitol.

All members were present except:

Committee staff present:

Don Hayward, Revisor's Office  
Tom Severn, Research Department  
Chris Courtwright, Research Department  
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

Mark Burghart, General Legal Counsel, Department of Revenue

Chairman Dan Thiessen called the meeting to order at 11:06 and asked if there was a motion to the minutes of January 29, 1991?

Senator Don Montgomery moved to approve the minutes of January 29, 1991, 2nd by Senator Shella Frahm. The motion carried.

Chairman Thiessen turned attention to briefings by Tom Severn on SB8, SB9, SB10 and SB14.

Tom Severn said all four of the bills resulted from the interim committee, and he turned attention to SB8.

SB8:AN ACT relating to property taxation; concerning dates of appeals of the valuation of real property.

Tom Severn said SB8 came of the proposal that relates to property tax, and increases from 21 to 51 days, the number of days that the property taxpayer has to file a complaint or appeal to the County Appraiser from the classification or appraisal from the taxpayers property.

Senator Jack Steineger asked who recommended the bill to the interim committee, and was it the appraisers and he also asked if we have any bills to expedite the process.

Tom Severn said no, not as a result of this committees activity. He said there was a package of changes considered and recommended by the Reappraisal Advisory Committee, but the committee did not take action, it was discussed by the interim committee.

Chairman Thiessen said the agenda for next week has request for bills which is open to anybody.

SB9:An Act relating to the taxation of certain motor vehicles; concerning the calculation of tax payable.

Tom Severn turned attention to SB9 and said the bill relates to the motor vehicle tax and following the close of the 1990 session the proposal was assigned to study to the interim committee and there was a series of class action suits filed. First the Attorney General did issue an opinion which says that the method of calculating taxes discriminated against A & V taxpayers and was unexceptable. There was a class action suit filed and the committee considered several recommendations and the Department of Revenue filed a temporary regulation in October which would have recognized the depreciation at the beginning of each calendar year. That recommendation has been approved and is effective. It has the effect of reducing estimated motor vehicle taxes by about \$23.M in calendar year 1991. The interim committee recommended SB9 which starting in 1992, codify the temporary regulations by statute the taxpayers would realize depreciation each January 1st.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

room 519-S, Statehouse, at 11:00 a.m.~~p.m.~~ on Wednesday, January 30, 1991.

In addition SB9 would implement an addition policy decision with respect to the proration of mill levies, that provision would increase motor vehicle taxes starting in 1992 over what they would otherwise be, and the estimate is that would raise about \$5.2M of additional tax based on that change of application in the mill levy.

Since the close of the committees activity there has been an additional class action suit filed, claiming refunds in about the amount of \$60.M based on the application of the mill levy.

SB10:An Act relating to income taxation; concerning the computation of Kansas taxable income of a corporation.

Senator Steineger asked about the viability of the damage claims and if there is an opinion from the Attorney General and do the damage claims have merit?

Mark Burghart, General Legal Counsel, Department of Revenue said the case has been dismissed but it still has to up through the administrative appeals process and we would still have a decision which ultimately will end up with a decision from the Supreme Court as to the viability of the claim. Instead of a class action it will be a single suit.

Tom Severn said SB10 relates to the treatment of foreign dividends and gross-up and would return the state to the treatment of foreign dividends and gross-up that existed prior to the tax reform in 1988 and that would be accomplished in the tax year 1991. The fiscal note is approximately an additional \$4.2M.

SB14:An Act relating to the taxation of rental motor vehicles.

Tom Severn said Proposal No.10, SB14 was to consider whether Kansas should impose an excise tax on rental vehicles in lieu of motor vehicle tax, the bill is similar to the bill which was cited in SB749 and imposes an additional excise tax on the rental of motor vehicles but the structure is a little different than the bill from last year, it still imposes a separate tax in addition to the state sales tax of about 3½% on the gross receipts from renting motor vehicles and transfers that to a special fund, and that money is released to the county treasurer in the county where the transaction took place.

The money goes out in the same manner as it does in the general motor vehicle tax. It was the finding of the committee that this bill would be approximately revenue neutral, the money raised would be approximately the same as currently being collected in property tax.

Chairman Thiessen adjourned the meeting at 11:40 a.m.

GUEST LIST

COMMITTEE: SENATE  
ASSESSMENT & TAXATION

DATE: 1-30-91

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
ROBERT ANDERSON	OTTAWA Box 7	MID CONTINENTAL
DAV STEVENS	TULSA OK	TEXACO
Rebecca Rice	Topeka	Amoco
Tom (Anglin)	Topeka	Sen Karr's office
BREA SCHOOT	"	Budget Rental Car
ROBE PUCKETT	359 SHADYBLOC WICHITA 67211	KS RESTAURANT & HOSPITALITY ASSN
George Goebel	Topeka	CCTF-AARP
Leroy Jones	Lenexa	BLE
ROSS MARTIN	Topeka	KPK
Bob Corkins	Topeka	KCCI
John Peterson	Tyrone	Budget Co. Retail
Willie Martin	Wichita	Sedg. County
Anne Smith	Topeka	Ks. Assoc of Counties
Don Seifert	Olathe	City of Olathe
Edna A. Hittner	Topeka	Int'l. for Am. Sec
Mark Tallman	Topeka	RASB
Art Davis	Lenexa	City of Lenexa
GERRY RAY	Olathe <del>Johnson Co</del>	Johnson County
Foland Smith	Wichita	WIBA
Nancy Kemper	Douglas County	Lawrence
Shonda Banks	LeCompton	Douglas County
Don Horner	Topeka Ks	IBM
Steve Neske	Topeka	KDOR
Ed Hoops	Topeka	United
Cindy Gilpin	Topeka	Budget

