

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./~~p.m.~~ on Tuesday, February 12, 1991 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Don Hayward, Assistant Revisor  
Tom Severn, Research Department  
Chris Courtwright, Research Department  
Marion Anzek, Secretary

Conferees appearing before the committee:

Mark Beshears, Acting Director, Property Valuation, Dept. of Revenue  
David Cunningham, Director, Property Valuation, Dept. of Revenue  
Bill Waters, Department of Revenue  
Mark Burghart, General Legal Council, Department of Revenue

Chairman Dan Thiessen called the meeting to order at 11:08 a.m. and said we have SB72 on the agenda, and recognized Mark Beshears, Acting Director, Department of Revenue for introducing the newly appointed Director of Property Valuation, Department of Revenue.

Mark Beshears said it was an honor for him to introduce David Cunningham, newly appointed Director of Property Valuation to the committee members. He said the Department feels very fortunate to have David on the Board of Tax Appeals, as they feel there is not a better person to come in with the expertise and the right temperament, and he felt he would be a great asset to this committee.

David Cunningham said he appreciates the opportunity to be in front of this committee and felt everyone already knows him, and said if any one has any questions, just to give them a call, and he thanked the members that made telephone calls to the Department on his behalf, and expressed his appreciation to them.

SB72:AN ACT relating to property taxation; concerning the reappraisal of property within a county; amending K.S.A. 79-1413a and repealing the existing section.

Chairman Thiessen recognized Bill Waters, Department of Revenue to brief the committee on SB72.

Bill Waters said the Department does not have great problems with the bill, as there are a number of positive things, 1. makes it clear that the Director of Property Valuation be a party to any appeals that are taken to the Board of Tax Appeals.

He said it is also designed to utilize the existing hearing and appeal process, providing that if the reappraisal takes place before March 1, the new values will be certified by the County Appraiser instead of the County Clerk, and would enable the appraiser to include the new values on the change of value notices, that are required to be sent before March 1, thereby accord the taxpayers an opportunity to initiate an equalization appeal on those values and utilize the existing hearing and appeals process.

He said, the bill originated in 1959 and was last amended in 1961 and as far as we can determine it has been used only once, which was in 1989 by the Cherokee County Appraiser, which used their authority to seek reappraisal from the Board of Tax Appeals.

He said the bill is basically well drafted and in accord, but do we need it, as a separate statute?

If a county wants to reappraise they have the authority to enter into contract with appraisers to do reappraisal.

After committee discussion Senator Martin asked if Research Staff could amend the bill to tie in with reappraisal.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,  
room 519-S, Statehouse, at 11:00 a.m./~~pm~~ on Tuesday, February 12, 19 91

Having no other conferees for SB72, Chairman Thiessen concluded the hearings and turned attention to Bill Request and recognized Mark Burghart, General Legal Council, Department of Revenue.

Mark A. Burghart, said the Department of Revenue's proposed legislative package for taxation issues consists of five bills some of which the committee has previously considered. They respectfully request that the bills be introduced and given favorable consideration by the committee.

Proposed Bill No. 1 (A) Requires invoices to separately state amount of sales tax collected; (B) eliminates the sales tax permit revocation hearing conducted by the director of taxation; (C) requires retailers to obtain exemption certificates within 60 days after notice from director; (D) eliminates waiver of interest after 48 months.

Proposed Bill No. 2 (A) Change due date for transient guest tax returns to the 25th of the month; (B) bring penalty & interest provisions of transient guest tax into conformity with sales tax provisions.

Proposed Bill No. 3 (A) Limit the mineral tax exemption for gas and oil which is inadvertently lost by reason of leaks, blowouts lease; (B) provide definitions for the terms "sales price" the statute of limitations for mineral tax refunds in the income tax refund provisions.

Proposed Bill No. 4 Provide that drug tax hearings shall be conducted in accordance with the Kansas Administrative Procedures Act.

Proposed Bill No. 5 (A) Further identify the individuals to be held responsible for collecting and remitting withholding tax (identical to sales tax); (B) create successor liability for unpaid withholding tax when a business is sold; (C) As a conformity measure, increase from 80% to 90% the amount of tax which is used to compute the underpayment of estimated tax penalty (technical correction). (ATTACHMENT 1)

Senator Martin made a conceptual motion to introduce the 5 proposals by the Department of Revenue, as committee bills, 2nd by Senator Langworthy. The motion carried.

Senator Martin made a conceptual motion to combine SB72 with reappraisal statute, 2nd by Senator Lee. The motion carried.

Chairman Thiessen adjourned the meeting at 11:50 a.m.





## KANSAS DEPARTMENT OF REVENUE

Office of the Secretary  
Robert B Docking State Office Building  
915 SW Harrison St  
Topeka Kansas 66612-1588

### MEMORANDUM

To: Senator Dan Thiessen, Chairman  
Senate Committee on Assessment and Taxation

From: Mark A. Burghart, General Counsel  
Kansas Department of Revenue

Date: February 6, 1991

Subject: Proposed Legislation

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The Department of Revenue's proposed legislative package for taxation issues consists of five bills some of which you have previously considered. We respectfully request that the bills be introduced and given favorable consideration by your committee. A brief synopsis of each of the proposed bills is provided below.

- Proposed Bill No. 1: - (A) Requires invoices to separately state amount of sales tax collected; (B) eliminates the sales tax permit revocation hearing conducted by the director of taxation; (C) requires retailers to obtain exemption certificates within 60 days after notice from director; (D) eliminates waiver of interest after 48 months.
- Proposed Bill No. 2: - (A) Change due date for transient guest tax returns to the 25th of the month; (B) bring penalty & interest provisions of transient guest tax into conformity with sales tax provisions.
- Proposed Bill No. 3: - (A) Limit the mineral tax exemption for gas and oil which is inadvertently lost by reason of leaks, blowouts or other accidental losses to losses occurring on the lease; (B) provide definitions for the terms "sales price" and "significant disruption in production"; (C) conform the statute of limitations for mineral tax refunds to the income tax refund provisions.
- Proposed Bill No. 4: - Provide that drug tax hearings shall be conducted in accordance with the Kansas Administrative Procedures Act.

General Information (913) 296-3909  
Office of the Secretary (913) 296-3041 • Legal Services Bureau (913) 296-2381  
Audit Services Bureau (913) 296-7719 • Planning & Research Services Bureau (913) 296-3081  
Administrative Services Bureau (913) 296-2331 • Personnel Services Bureau (913) 296-3077

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Proposed Bill No. 5: - (A) Further identify the individuals to be held responsible for collecting and remitting withholding tax (identical to sales tax); (B) create successor liability for unpaid withholding tax when a business is sold; (C) As a conformity measure, increase from 80% to 90% the amount of tax which is used to compute the underpayment of estimated tax penalty (technical correction).

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