

Approved February 25, 1992

Minutes of the House Committee on Taxation. The meeting was called to order by Joan Wagnon, Chairperson, at 9:10 a.m. on Friday, February 7, 1992 in room 519-S of the Capitol.

All members were present except:

Rep. Joan Adam, excused; Rep. J. C. Long, excused; Rep. Keith Roe, excused.

Committee staff present:

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

Conferees appearing before the committee:

The Chair said the sponsor of HB 2341 and HB 2245 requested the bills be reported adversely.

Rep. Shore made a motion to report HB 2341 and HB 2245 adversely. Rep. Harder seconded the motion which carried.

The Chair brought up HB 2621 for discussion and action.

Rep. Harder made a motion to amend HB 2621 (Attachment 1). Rep. Vancrum seconded.

Rep. Harder discussed the need for the amendment.

After committee discussion regarding the need for a similar amendment to change the interest rate on all unpaid delinquent taxes, the motion carried.

Rep. Harder made a motion to recommend HB 2621 favorably for passage. Rep. Reardon seconded the motion.

Rep. Ensminger stated his concern that HB 2621 would lead to ignorance of the law as a defense against payment of delinquent taxes.

Rep. Charlton said in her opinion the danger of the development of ignorance of the law would only exist if the bill were retroactive. It is not, she said.

The motion to recommend HB 2621 favorably for passage carried.

The Chair brought up SB 213 for discussion and action.

Rep. Vancrum said he was concerned that certain sections of SB 213 would punitively affect taxpayers because of the current high rate of interest charged on unpaid taxes. He

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MINUTES OF THE House COMMITTEE ON Taxation, room 519-S, State-house, at 9:10 a.m. on Friday, February 7, 1992.

said HB 2874, which dealt with the interest rate on delinquent taxes should be addressed if the committee acted favorably on SB 213.

Rep. Vancrum made a motion to amend SB 213 by restoring stricken language on lines 37 through 39 on page 2. Rep. Snowbarger seconded the motion which carried.

Rep. Smith moved and Rep. Shore seconded recommending SB 213 favorably for passage. The motion carried.

The Chair brought up SB 212 for discussion and action.

Rep. Charlton made a motion to amend SB 212 (Attachments 2 and 3). Rep. Smith seconded the motion which carried.

The Chair requested and received the unanimous consent of the committee to amend out "1990 Supp." wherever it appeared in HB 2621.

Rep. Charlton moved to recommend SB 212 favorably for passage. Rep. Larkin seconded the motion which carried.

The Chair brought up SB 216 for discussion and action.

Rep. Larkin made a motion to amend SB 216 by eliminating the term "sale price" on page 2, line 35 and by changing the language on page 2, beginning on line 42 relating to the disruption of the production of gas as requested by the Kansas Independent Oil and Gas Association. Rep. Pottorff seconded the motion which carried.

Rep. Vancrum moved and Rep. Snowbarger seconded a motion to replace the language on lines 17 through 19 on page 7 in SB 216. The motion carried.

Rep. Shore made a motion to recommend SB 216 favorably for passage. Rep. Campbell seconded the motion which carried.

The chair brought up SB 215 for committee discussion and action.

Rep. Vancrum moved to amend SB 215 so that purchasers would receive notification on the tax liability of a piece of property. Rep. Ensminger seconded the motion. The motion to amend carried.

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The Chair requested and received the unanimous consent of the committee to amend in lines 10, 11, 12 on page 2.

Rep. Vancrum made a motion to recommend SB 215 favorably for passage. Rep. Harder seconded motion.

Rep. Shore said the responsibility for communication of tax liability on a piece of property should belong to the seller and that SB 215 would leave the problem in the hands of the purchaser. Rep. Krehbiel noted that he concurred in those remarks.

Rep. Shore made a substitute motion, seconded by Rep. Crowell, to table SB 215. The motion carried.

The Chair announced subcommittee assignments.

The committee adjourned at 9:55 a.m. The next meeting will be February 11.

Proposed Amendment to SB 212

"Sec. 5. K.S.A. 12-16,113 is hereby amended to read as follows: 12-16,113. Any entity to which funds which in the aggregate in any year exceed \$25,000, are provided for convention and tourism promotion purposes from moneys received pursuant to K.S.A. 12-1693 or K.S.A. 12-1697, and amendments thereto, or pursuant to any charter ordinance or resolution which imposes a transient guest tax, shall provide for the separate accounting of the receipt and disbursement of such funds and shall provide to the city or county, as the case requires, an accounting of the receipt and expenditures of such funds in accordance with generally accepted accounting principles within 120 days after the end of the fiscal year of such entity. In the event no such accounting is provided within such time period, funds shall not be provided to the entity unless and until the accounting is provided."

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Attachment 1
02-07-92

I have made my request for the audit at various times of the year to see what would happen.

Chamber's fiscal year ending 3-31-91

My request for copy of audit - 10-12-91

Mr. Wildgen's request of audit from - 10-15-91
The Chamber of Commerce

CPA dates audit - 11-8-91

Mr. Wildgen receives audit from - 12-20-91
Chamber of Commerce

Audit received by me - 12-24-91

fiscal year ending 3-31-89
My request for copy - 5-26-89
CPA dates audit - 8-18-89
Forwarded to me - 10-3-89

The fiscal year of Farmers COOP ends August 31 and the CPA audit is always completed in time for the annual meeting in late November.

The Vanguard Wellington Mutual Fund fiscal year ended on November 30, 1991, and I received their annual report on January 16, 1992.

These outfits are not small potatoes.

A REASONABLE TIME LIMIT SHOULD BE
SET IN CONCRETE.

1 rector. The application for refund shall be filed on forms prescribed
 2 by the secretary within the time allowed for refunds pursuant to
 3 K.S.A. 79-1574, *and amendments thereto*. Upon being satisfied that
 4 the executor, administrator or deemed executor has exercised due
 5 diligence in attempting to recover the taxes attributable to the dis-
 6 tributive shares of the decedent's estate which were not within such
 7 executor's, administrator's or deemed executor's custody or control,
 8 the director shall refund the same.

9 (5) The director shall issue a receipt acknowledging payment of
 10 ~~said~~ *such* taxes whenever the taxes as shown to be due on the return
 11 or any additional taxes assessed by the director have been paid by
 12 an executor, administrator or deemed executor and (A) such executor
 13 or administrator has requested a cash receipt in order to be sub-
 14 rogated to the state's right to proceed in collecting the tax against
 15 a distributee; or (B) such executor or administrator has received a
 16 stay of payment from the director. Such a receipt shall be issued
 17 only under circumstances described in clauses (A) or (B) of this
 18 subsection (5) and shall not constitute evidence that a final deter-
 19 mination of taxes pursuant to K.S.A. 79-1571, *and amendments*
 20 *thereto*, has been made.

21 (e) If the taxes contemplated by this act are not paid when due,
 22 interest at the rate prescribed by K.S.A. 79-2968(b), *and amendments*
 23 *thereto*, shall be charged and collected commencing at the time the
 24 same become payable. When the filing of the return is delayed
 25 beyond nine (9) months after the death of the decedent and the
 26 director finds that such delay was due to the inability of the executor,
 27 administrator or deemed executor to determine the distributive
 28 shares of an estate or the proper recipients thereof, or to litigation,
 29 interest shall commence at the time the return is filed. *Whenever*
 30 *in the judgment of the secretary or the secretary's designee, the*
 31 *failure of any executor, administrator or deemed executor to pay*
 32 *any taxes hereunder was due to reasonable causes, the secretary or*
 33 *the secretary's designee may waive or reduce any interest charged*
 34 *upon making a record of the reasons therefor.*

35 (f) At the election of the executor, administrator or deemed ex-
 36 ecutor, the taxes imposed by this act may be determined by the
 37 director. Such election shall be made by filing a return disclosing
 38 all information necessary for the determination of the taxes imposed
 39 by this act. Upon receipt of all necessary information, the director
 40 shall determine the taxes due and owing and shall notify the executor,
 41 administrator or deemed executor of the tax liability by registered
 42 or certified mail. Notwithstanding any election made pursuant to
 43 this section, the taxes shall be due and payable at the same time

timely

or if the charging of interest would be inequitable for any other reason,

House Taxation
 Attachment 3