

Approved:


Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION.

The meeting was called to order by Chairperson Phil Kline at 9:00 a.m. on January 24, 1995 in Room 519-S of the Capitol.

All members were present except: Rep. Pettey - excused

Committee staff present: Chris Courtwright, Legislative Research Department
Tom Severn, Legislative Research Department
Don Hayward, Revisor of Statutes
Ann McMorris, Committee Secretary

Others attending: See attached list

Conferees appearing before the committee: Rep. Les Donovan (Attachment 1)

Chair announced changes in agenda for week.

Chair called on Rep. Donovan to present the bill he sponsors:

HB 2121 - an act relating to property taxation; concerning the taxation of certain motor vehicles

Chair called for committee bill introduction:

Moved by Rep. Graeber, seconded by McKinney, introduction of a bill on all commercial and industrial machinery - exempting such machinery from taxes after it has exceeded its assessment valuation. Motion carried.

Moved by Shore, seconded by Hayzlett, introduction of bill allowing State to use a pick up tax on estate taxes the federal government levels on a state. Motion carried.

Adjournment.

The next meeting is scheduled for January 25, 1995.

TAXATION COMMITTEE GUEST LIST

DATE: JANUARY 24-1995

NAME	REPRESENTING
KEVIN T. STAMPER	INTERN - SEN. J. MORAN
ALAN STEPPAT	PETE MCGILL & ASSOC.
Cedric Muege	Advocates for Equal Prof-Pers Tax
GERRY RAY	Johnson County Comm + City of Overland Park
Donny Curran	Overland Park Chamber
Alingir Klemme	Intern Rep Pottorff
Mary Jane Stettinman	KS Farm Bureau
Judy Ruine	KDOT
PAM SOMERVILLE	KS Auto Dealers Assn
DON McNEELY	KS Auto Dealers Assn
Frances Kastner	KS Food Dealers Assn
Ken Clark	KDOR
Rick Scheibe	KDOR
Tom Wedel MS	Rocky Friday
Trudy Perkins	CPAK
Steve Neske	KDOR
MATTHEW MARTIN	KAR
Martha Uper	KMHA
Christy Bailey	Senator Karr

LES DONOVAN
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TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
VICE CHAIRMAN: FINANCIAL INSTITUTIONS & INSURANCE
MEMBER: FEDERAL AND STATE AFFAIRS
TAXATION

FACTS ABOUT UNIFORM VEHICLE TAX REDUCTION BILL **HB2121**

BILL WOULD TAX ALL VEHICLES EQUALLY IN ALL 105 COUNTIES.

TAX WOULD BE LOWER ON MOST VEHICLES IN THE FIRST YEAR.

TAX WOULD DROP OVER FOUR ADDITIONAL YEARS.

AFTER FIVE YEARS, TAX ON THE MAJORITY OF VEHICLES WOULD BE APPROXIMATELY ONE HALF THE AMOUNT UNDER THE PRESENT SYSTEM.

THERE SHOULD BE NO NEED TO SHIFT REVENUE FROM OTHER SOURCES.

THE GROWTH OF REVENUE TO THE COUNTIES WILL GROW AT A STEADIER, MORE DEPENDABLE RATE, NO LONGER DEPENDENT UPON MILL LEVY INCREASES AS WELL AS VEHICLE PRICE INCREASES.

UNDER THE PRESENT SYSTEM, WITH THE EVER INCREASING MILL LEVY AND VEHICLE COST, THE AVERAGE VEHICLE IN KANSAS WILL SOON COST OVER TWO THOUSAND DOLLARS TO REGISTER .

WITH LOWER REGISTRATION COSTS, THERE WILL BE A BIG INCENTIVE FOR KANSANS TO PURCHASE NEWER VEHICLES. THEREBY GREATLY INCREASING REVENUE TO THE COUNTIES AND THE STATE. IN 1994, THE VEHICLE REVENUE INCREASED BY ABOUT FIFTY MILLION DOLLARS, DUE IN LARGE PART TO THE LOWER MILL LEVY IN MOST COUNTIES..ROUGHLY A TWENTY PERCENT INCREASE. **PEOPLE WILL RESPOND TO LOWER TAXES.**

KANSAS RANKS NUMBER ONE IN HAVING THE HIGHEST VEHICLE TAXES ON NEW AND LATE MODEL VEHICLES. WHILE HAVING ONE OF THE VERY LOWEST RATES ON OLDER VEHICLES.

KANSAS RANKS NUMBER ONE IN HAVING THE OLDEST FLEET OF VEHICLES IN THE US. IT SHOULDN'T BE HARD TO UNDERSTAND WHY.

WE MUST NOT FAIL THE PEOPLE WHO SENT US HERE. WE MUST FIX THIS TERRIBLE, UNFAIR SYSTEM NOW. OUR PEOPLE DO NOT WANT EXCUSES. THEY WANT RELIEF!

LES DONOVAN

House Taxation
1-24-95
Attachment 1-1

VEHICLE AGE	<u>TAX YEAR</u>				
	1996	1997	1998	1999	2000
ONE	2.4% + \$12.	2.3% + \$12.	2.2% + \$12.	2.1% + \$12.	2.0% + \$12.
TWO	2.2% "	2.1% "	2.0% "	1.9% "	1.8% "
THREE	2.0% "	1.9% "	1.8% "	1.7% "	1.6% "
FOUR	1.9% "	1.8% "	1.7% "	1.6% "	1.5%
FIVE	1.7% "	1.7% "	1.5% "	1.5% "	1.4% "
SIX	1.5% "	1.5% "	1.4% "	1.4% "	1.3%
SEVEN	1.3% "	1.3% "	1.2% "	1.2% "	1.2%
EIGHT	1.1% "	1.1% "	1.0% "	1.0% "	1.0%
NINE	.9% "	.9% "	.9% "	.9% "	.9%
TEN	.7% "	.7% "	.7% "	.7% "	.7%
ELEVEN	.6% "	.6% "	.6% "	.6% "	.6%
TWELVE	.5% "	.5% "	.5% "	.5% "	.5%
THIRTEEN	.4% "	.4% "	.4% "	.4% "	.4%
FOURTEEN	.3% "	.3% "	.3% "	.3% "	.3%
FIFTEEN	.2% "	.2% "	.2% "	.2% "	.2%
		FORMULA SCHEDULE % APPLIES VALUE (AVG.	FOR FEE IN <u>HB2121</u> TO ORIGINAL OF CLASS)		1-2

Minimum Motor Vehicle Tax Indexed by CPI-U (1982-84 = 100)

Year	CY Avg	Min Tax
1978	65.2	\$12.00
1979	72.6	13.35
1980	82.4	15.16
1981	90.9	16.73
1982	96.5	17.75
1983	99.6	18.32
1984	103.9	19.11
1985	107.6	19.79
1986	109.6	20.16
1987	113.6	20.90
1988	118.3	21.75
1989	124.0	22.80
1990	130.7	24.04
1991	136.2	25.05
1992	140.3	25.81
1993	144.5	26.58
1994	<i>148.2</i>	<i>27.26</i>

Bold italics indicate projection.

NEW COST \$9500.

CURRENT LAW

AVG. mill 118

NO INCREASE

5% ANNUAL INCREASE

HB 2121

REFORM

95	336	336	240
96	282	302	212
97	237	272	183
98	199	245	164
99	167	220	145
00	141	198	136
01	118	179	126
02	99	161	107
03	83	145	98
04	70	130	79
05	59	117	69
06	49	105	60
07	42	95	50
08	35	85	41
09	12	12	31

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new 95 pic up

new cost \$17,000

Current Law

HB 2121

Average Mill. (118) NO INCREASE

5% ANN. INC

REFORM

	Current Law	5% ANN. INC	REFORM
1995	\$ 602.	\$ 602.	420.00
96	506.	542.	369.
97	425.	488.	318.
98	357.	439.	284.
99	300.	395.	250.
2000	252.	355.	233.
01	211.	320.	216.
02	178.	288.	182.
03	149.	259.	165.
04	125.	233.	131.
05	105.	210.	114.
06	88.	189.	97.
07	74.	170.	80.
08	62.	153.	63.
09	(12.)	(12.)	(46.)

NEW 95 LEXUS LS400

NEW COST 57,000

CURRENT LAW

AVG. Mill 118

NO INCREASE

5% ANN inc.

REFORM

	2018	2018	
95	2018	2018	1380
96	1695	1816	1209
97	1424	1635	1038
98	1196	1471	924
99	1005	1324	810
00	844	1192	753
01	709	1072	696
02	595	965	582
03	500	869	525
04	420	782	411
05	353	704	354
06	296	633	297
07	249	570	240
08	209	513	183
09	12	12	126

CERTIFICATION

I hereby certify the average county levies and the average statewide mill levy, stated in a decimal multiplier per dollar of assessed valuation. These levies are obtained from abstracts of assessed valuation and taxes as required by K.S.A. 79-1806 for taxes levied in 1994. The average county levy as herein stated, by county, is provided for use in determining the tax obligation during 1996 for motor vehicles taxable under K.S.A. Chapter 79 Article 51 and amendments thereto. This levy multiplier has been certified to the Director of Motor Vehicles, Department of Revenue, State of Kansas for use in the implementation of K.S.A. Chapter 79 Article 51 and amendments thereto.

ALLEN	.125201	GREELEY	.104947	OSBORNE	.126282
ANDERSON	.118629	GREENWOOD	.139039	OTTAWA	.125718
ATCHISON	.113258	HAMILTON	.116485	PAWNEE	.134487
BARBER	.120469	HARPER	.126444	PHILLIPS	.131136
BARTON	.143645	HARVEY	.124869	POTTAWATOMIE	.084048
BOURBON	.137867	HASKELL	.072987	PRATT	.128430
BROWN	.123399	HODGEMAN	.158858	RAWLINS	.123469
BUTLER	.128700	JACKSON	.110662	RENO	.128211
CHASE	.111524	JEFFERSON	.115083	REPUBLIC	.127478
CHAUTAUQUA	.125091	JEWELL	.131762	RICE	.120170
CHEROKEE	.088036	JOHNSON	.128535	RILEY	.124857
CHEYENNE	.092270	KEARNY	.074330	ROOKS	.133668
CLARK	.126156	KINGMAN	.106576	RUSH	.133398
CLAY	.132210	KIOWA	.103939	RUSSELL	.127143
CLOUD	.160008	LABETTE	.134230	SALINE	.098526
COFFEY	.068679	LANE	.149923	SCOTT	.097650
COMANCHE	.131737	LEAVENWORTH	.107199	SEDGWICK	.112878
COWLEY	.144559	LINCOLN	.144972	SEWARD	.098589
CRAWFORD	.115739	LINN	.077391	SHAWNEE	.153815
DECATUR	.116346	LOGAN	.115418	SHERIDAN	.133623
DICKINSON	.107520	LYON	.128485	SHERMAN	.116257
DONIPHAN	.128726	MARION	.107256	SMITH	.121897
DOUGLAS	.115456	MARSHALL	.118987	STAFFORD	.125942
EDWARDS	.119233	MCPHERSON	.112611	STANTON	.086263
ELK	.125838	MEADE	.100814	STEVENS	.061867
ELLIS	.124325	MIAMI	.106617	SUMNER	.144000
ELLSWORTH	.110019	MITCHELL	.131857	THOMAS	.127146
FINNEY	.105758	MONTGOMERY	.142191	TREGO	.123800
FORD	.136433	MORRIS	.108731	WABAUNSEE	.111641
FRANKLIN	.116115	MORTON	.083113	WALLACE	.111655
GEARY	.118482	NEMAHA	.107921	WASHINGTON	.127426
GOVE	.112649	NEOSHO	.140805	WICHITA	.137763
GRAHAM	.141600	NESS	.130128	WILSON	.129861
GRANT	.076462	NORTON	.132396	WOODSON	.114674
GRAY	.118828	OSAGE	.104250	WYANDOTTE	.179504
AVERAGE STATEWIDE MILL LEVY					.11806221

1994 TAX YEAR