

Approved: February 1, 1995  
Date

## MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:00 a.m. on January 31, 1995 in Room 519--S of the Capitol.

Members present: Senator Langworthy, Senator Corbin, Senator Martin, Senator Bond, Senator Clark, Senator Feleciano, Jr., Senator Hardenburger, Senator Lee, Senator Ranson, and Senator Sallee

Committee staff present: Tom Severn, Legislative Research Department  
Chris Courtwright, Legislative Research Department  
Don Hayward, Revisor of Statutes  
Elizabeth Carlson, Secretary to the Committee

Conferees appearing before the committee: Senator Gerald Karr

Others attending: See attached list

### APPROVAL OF MINUTES

Senator Clark made a motion to approve the minutes of January 26 and January 30, 1995. The motion was seconded by Senator Ranson. The motion carried.

### SB 58--INCOME TAX STANDARD DEDUCTION ADJUSTMENT FOR COST OF LIVING

Senator Karr appeared before the committee to explain **SB 58**. He said this bill deals with the income tax statutes for Kansas. They are piggy backing on federal legislation in regard to indexing. In the late 1980's, Kansas chose not to use the index and to freeze deductions. If Kansas went back to that time with the deductions it would cost approximately \$35 million. However, they have chosen to put the index system in which would affect the future years. The index will be used only on the standard deduction; it does not address the itemized deductions.

Senator Karr said this would provide an opportunity for those individuals who are in the middle income areas and are under ever increasing pressures with taxes. The cost is not prohibitive; it would be about \$3.4 million.

Senator Langworthy asked if this bill would bring Kansas into total conformance with the federal deductions and Senator Karr said "no, that would cost too much but this would be a move ahead for the future."

Senator Bond asked if this would be adjusted on the national code. Senator Karr said it would be used by the index system but Kansas is too far behind at this time. He also said if there is a more appropriate index he would be glad to have the committee look at it. Senator Bond also asked if we know if the state COLA mirrors the federal COLA. Senator Karr answered it does mirror but is not exactly the same.

Senator Langworthy asked how Kansas compares with other states on income tax. Senator Karr said when they studied the income taxes in 1988, Kansas was very comparable; however since Kansas did not choose to index at that time and some of the states did, there probably is a greater difference.

Senator Lee asked if they knew which states do index. Staff will check on this.

The hearing was closed on **SB 58**.

The meeting adjourned at 11:25 a.m.

The next meeting is scheduled for February 1, 1995.

