

Approved: 3-5-97
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION..

The meeting was called to order by Chairperson Phill Kline at 9:00 a.m. on February 14, 1997 in Room 519-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee: none

Others attending: See attached list

Chair opened for discussion, amendments and motions on **HB 2032** and **HB 2034**.

HB 2032 - Single-individual income tax rates reduced
HB 2034 - Sales tax refund on sales of food

Moved by Rep. Presta, seconded by Rep. Franklin, amend **HB 2034** into **HB 2032**. Motion carried.

Moved by Rep. Kirk, seconded by Rep. Larkin, amend **HB 2032** to include the fit and trim tax plan which would change the tax process to conform with federal on a flat rate. Motion failed. Vote was close so show of hands was called. Yes 7, No 14.

Considerable discussion was held on the effects of the trim and fit tax plan proposed by Rep. Kirk. Two charts showing projected individual income tax in Tax Year 1997 and Kansas State and local taxes in 1995 were distributed and analyzed. (Attachment 1) Due to the House going into session, the committee recessed until after House adjournment and continued the discussion on the amendment proposed by Rep. Kirk. Action was taken on Kirk's motion after the recess.

Moved by Rep. Powell, seconded by Rep. Larkin, pass HB 2032 favorably as amended. Motion carried.

The next meeting is scheduled for February 17, 1997.

Adjournment.

Attachment - 1

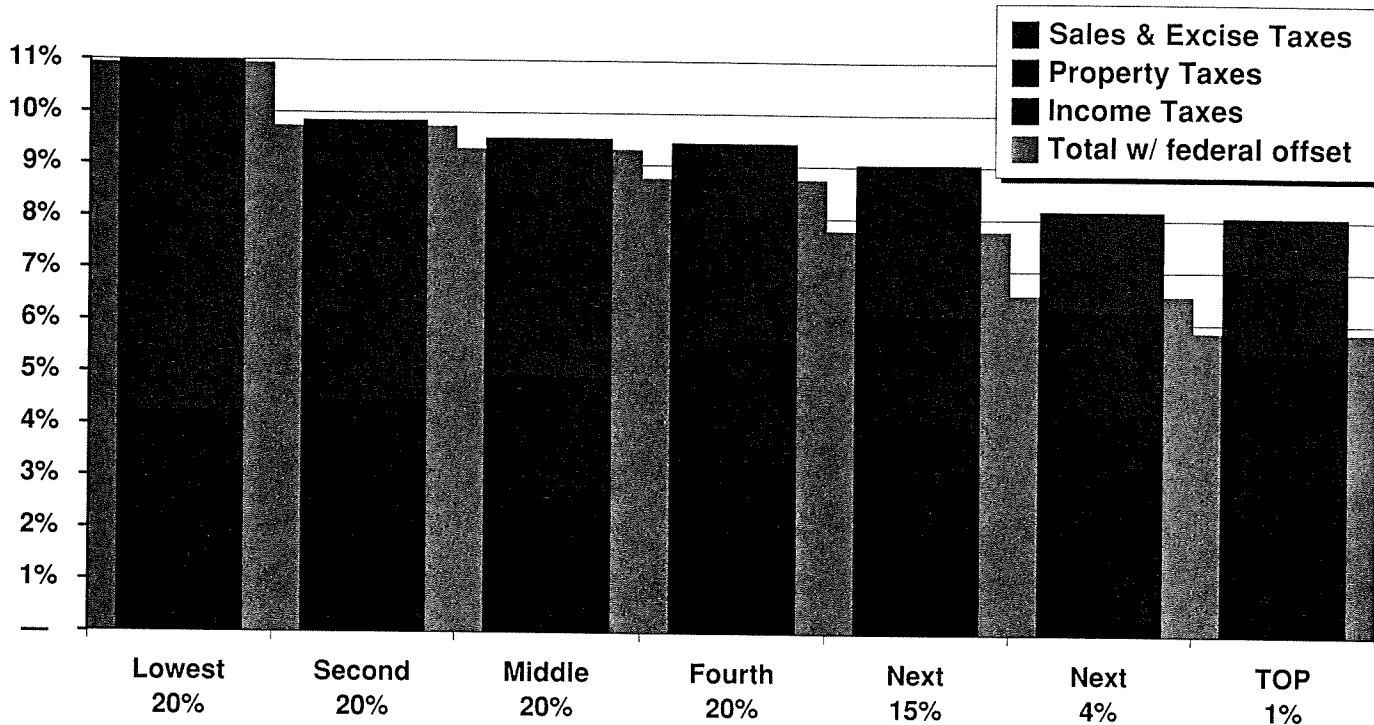


Kansas

*Bill
Ad 56*

State & Local Taxes in 1995

Shares of family income for non-elderly married couples



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$27,000	\$27,000 - \$41,000	\$41,000 - \$54,000	\$54,000 - \$71,000	\$71,000 - \$115,000	\$115,000 - \$273,000	\$273,000 or more
Average Income in Group	\$17,600	\$34,200	\$47,200	\$61,600	\$87,200	\$158,000	\$667,000
Sales & Excise Taxes	6.7%	5.4%	4.6%	3.8%	2.9%	2.0%	1.1%
General Sales—Individuals	4.2%	3.5%	3.1%	2.5%	2.0%	1.3%	0.8%
Other Sales & Excise—Ind.	1.0%	0.7%	0.5%	0.4%	0.3%	0.2%	0.1%
Sales & Excise on Business	1.5%	1.2%	1.0%	0.8%	0.6%	0.4%	0.3%
Property Taxes	3.1%	2.4%	2.4%	2.3%	2.2%	2.0%	1.5%
Property Taxes on Families	2.9%	2.2%	2.2%	2.2%	2.1%	1.6%	0.6%
Other Property Taxes	0.2%	0.1%	0.1%	0.1%	0.2%	0.3%	0.9%
Income Taxes	1.1%	2.1%	2.5%	3.3%	3.9%	4.2%	5.4%
Personal Income Tax	1.0%	2.0%	2.5%	3.2%	3.8%	4.1%	5.2%
Corporate Income Tax	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
TOTAL TAXES	11.0%	9.8%	9.5%	9.4%	9.0%	8.1%	8.0%
Federal Deduction Offset	-0.0%	-0.1%	-0.2%	-0.7%	-1.3%	-1.6%	-2.2%
TOTAL AFTER OFFSET	10.9%	9.7%	9.3%	8.8%	7.8%	6.6%	5.9%

Piggyback of Federal Tax Liability
 Current Modifications to FAGI continue to be allowed

New Tax Rates

Proposed Tax Rates		
Married:	27.00%	Federal Tax Liability
Single:	27.00%	Federal Tax Liability

Kansas Department Of Revenue
 Individual Income Tax In Tax Year 1997
 Resident Taxpayers
 Liability Dollars are in Millions
 SIMULATION 9004

Married						Single					Total Residents				
KAGI Bracket	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No KAGI	5,600	0.0%	\$0.0	\$0.00	0.0%	1,000	0.0%	\$0.0	\$0.00	0.0%	10,600	0.0%	\$0.0	\$0.00	0.0%
\$0 - \$5	10,680	0.0%	\$0.2	\$18.27	0.7%	103,500	-51.4%	(\$0.5)	(\$5.19)	0.2%	114,100	-32.9%	(\$0.3)	(\$3.01)	0.2%
\$5 - \$15	40,700	-2.4%	(\$0.1)	(\$1.33)	0.5%	158,700	-30.8%	(\$3.6)	(\$54.28)	1.3%	199,400	-28.8%	(\$3.7)	(\$43.47)	1.1%
\$15 - \$25	56,500	-12.6%	(\$2.2)	(\$31.24)	1.3%	95,500	-18.0%	(\$9.1)	(\$95.09)	2.2%	152,000	-16.6%	(\$11.2)	(\$73.96)	1.9%
\$25 - \$35	59,700	-3.7%	(\$1.3)	(\$21.53)	1.9%	61,400	-21.5%	(\$13.3)	(\$216.18)	2.7%	121,100	-15.0%	(\$14.6)	(\$120.21)	2.3%
\$35 - \$50	94,700	-2.7%	(\$2.7)	(\$21.75)	2.4%	44,700	-20.9%	(\$16.3)	(\$164.66)	3.3%	139,400	-10.7%	(\$19.0)	(\$136.47)	2.7%
\$50 - \$100	177,600	-6.2%	(\$26.7)	(\$150.22)	3.3%	25,500	-17.5%	(\$13.8)	(\$541.32)	4.0%	201,100	-8.0%	(\$40.5)	(\$199.32)	3.4%
\$100 - Over	51,000	18.5%	\$75.5	\$1,479.98	5.4%	3,600	-3.6%	(\$1.2)	(\$345.42)	5.8%	54,600	16.6%	\$74.2	\$1,359.63	5.4%
Total	496,400	4.3%	\$42.8	\$16.16	3.6%	497,900	-11.9%	(\$62.9)	(\$126.24)	2.8%	994,300	-1.5%	(\$20.1)	(\$20.20)	3.4%

Fiscal Impacts

All Taxpayers:	(\$9.9)
Residents Only:	(\$20.1)
Married Residents:	\$42.8
Single Residents:	(\$62.9)
Non-Residents:	\$10.2

Current Law Tax Rates			
Married:	\$0 - \$30		3.50%
	\$30 - \$60	\$1,050 +	6.25%
	\$60 - Over	\$2,925 +	6.45%
Single:	\$0 - \$20		4.40%
	\$20 - \$30	\$880 +	7.50%
	\$30 - Over	\$1,630 +	7.50%