

Approved: April 30, 1997  
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 1:15 p.m. on April 1, 1997, in Room 519--S of the Capitol.

Members present: Senator Langworthy, Senator Corbin, Senator Lee,  
Senator Bond, Senator Donovan, Senator Karr,  
Senator Praeger, Senator Steffes.

Committee staff present: Chris Courtwright, Legislative Research Department  
Don Hayward, Revisor of Statutes  
Shirley Higgins, Secretary to the Committee

Conferees appearing before the committee: None

Others attending: See attached list

The minutes of the March 25 and March 26 meetings were approved.

Senator Langworthy called attention to a draft of the supplemental note reflecting the recommendations of the subcommittee on **HB 2105**, enacting the Kansas tax equity and fairness act of 1997. Chris Courtwright, Legislative Research Department, reviewed the subcommittee's recommended amendments to the bill, noting that the 21 changes are summarized on the last page of the draft. (Attachment 1)

With regard to interest for tax overpayments, Mr. Courtwright pointed out that **HB 2105** as passed by the House provided that the interest rate for sales and income taxes would be the federal underpayment rate minus 3 percent; however, as amended by the subcommittee it provides the interest rate will be the federal underpayment rate plus 1 percent.

With respect to property taxes, the subcommittee's version of the bill changes the 12 percent delinquent interest rate under current law to the rate prescribed by K.S.A. 70-2968 plus 2 percent. Property tax refund interest would be allowed at the rate prescribed by the same statute minus 2 percent. Another change provides that refund interest would be payable solely from the county general fund, and other taxing subdivisions would not be affected.

Mr. Courtwright explained another major amendment which concerned removing the retroactive application of the federal waiver restriction (Section 17) which had a \$2 million fiscal note under the House version because it was retroactive. Under the subcommittee amendment, it would no longer be retroactive; thus, there would be no fiscal note related to the provision.

Mr. Courtwright called attention to language in the House version stricken by the subcommittee, repealing the sales tax audit reform act. He recalled that the Department of Revenue believed the fiscal note on that provision could be over \$7 million.

As the bill came from the House, it included sales tax blanket exemption certificate language. The subcommittee amended that language to allow instead political subdivisions and other entities to obtain agency status for the purpose of granting exemption certificates to their own contractors. This change was suggested by the Department of Revenue to accomplish basically the same thing as the sales tax exemption blanket certificate language.

Mr. Courtwright noted that the subcommittee put the provisions of **SB 142** (as passed by the Senate), relating to the qualifications of county appraisers, into **HB 2105**.

With regard to the good faith presumption language, Mr. Courtwright explained that the subcommittee changed the House language to return to the original language of the bill. The Department of Revenue believed that

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perhaps there would be a \$13 million fiscal note under the language passed by the House; however, there would be little, if any, fiscal note for the original good faith presumption language. Mr. Courtright called attention to a full explanation of the subcommittee's language found on pages 4 and 5 of the supplemental note draft.

The amendment regarding the correction of clerical errors allows a county commission by a majority vote to request the Board of Tax Appeals to order refunds of incorrect property taxes over three years old attributable to clerical errors. Current law requires a unanimous vote of a county commission to make such recommendation. This provision was included in **SB 206**. Senator Langworthy added that **SB 206** passed out of committee and was placed on the Senate Calendar; however, it was not worked by the Senate.

The subcommittee amended the provision for the definition of "state" for income tax purposes into the bill. The provision was the subject matter of **SB 209** which passed out of committee but not worked by the Senate. The definition of "state" in K.S.A. 79-32, 111 would be amended to provide that "state" in the income tax act would have the meaning ascribed to the term in another statute and would include foreign countries. It also clarifies that under no circumstances could the total amount of state credit claimed exceed the difference between the total amount of tax paid to the foreign country less the federal credit amount. Senator Langworthy explained that **SB 209** was held to allow time to develop language to address the concern that persons could possibly get more credit than the amount they had paid.

The next amendment discussed dealt with the inclusion of provisions in **SB 239** allowing real property owned or being acquired by a lease-purchase agreement by municipalities or political subdivisions to retain its property tax exemption if providing office space for optometrists, dentists, and podiatrists. Mr. Courtright noted that there are current provisions for similar exemptions for other kinds of health care providers.

Mr. Courtright explained that the "circuit breaker" provision applies in extreme circumstances wherein the appraised valuation of a owner-occupied single family residence increases by 75 percent or more from one year to the next. A portion of the property tax attributable to the increase would be refunded by the state for each of three tax years, provided that the increase was not due to the property's being improved. Senator Langworthy explained further that this provision was a floor amendment to **HB 2031**, but it was lost when the Senate changed that bill. The amendment is also called the Sloan Amendment. It applies to properties with single family residences which have been reclassified as commercial, but the family does not want to leave its homestead.

Mr. Courtright explained that the refund payable by the state would be similar to the homestead program. It would be an entitlement and would come from the State General Fund. A certain percentage would be refunded to the taxpayer over a three year period with the percentage decreasing with each year (60, 40, 20 percent). He confirmed that counties would retain their portion of the tax. Senator Bond began a discussion regarding the wisdom of adopting this provision.

Senator Bond moved to delete the circuit breaker provision from **HB 2105**, seconded by Senator Donovan.

Senator Praeger commented that there were taxpayers in her district who would benefit from the circuit breaker provision. She asked Senator Bond if he would accept the provision if it were changed to provide that the property tax would be paid upon the sale of the property. Senator Bond responded that Senator Praeger's suggestion would be an improvement; however, he reasoned that the issue is change in value, and the fact that a homeowner does not wish to move when his property value and taxes increase dramatically is immaterial to the state. He did not feel that the state was responsible for compensating the taxpayer under these circumstances. He maintained that the solution for the homeowner was simply to sell the property and move to a better location. Senator Bond renewed his motion to delete. Upon a call for a vote on the motion, the motion carried.

Mr. Courtright called attention to the subcommittee recommendation dealing with towers, antennas, and relay sites which was the subject matter of bill which came from an interim study. The latest language on the subject, also a floor amendment to **HB 2031**, was adopted in the subcommittee report. The language provides that the portion of fair market value real property attributable to the leasing of real property for the purpose of placing a wireless communications tower, antenna, or relay site upon the property would be entered on the assessment roll and taxed separately to the owner of such equipment. Real property upon which such equipment is located would continue to be exempt from property taxation if it had been exempt previously (churches and governmental buildings).

Mr. Courtright read the explanations from the supplemental draft regarding: (1) use value capitalization interest rate, PVD authority to promulgate valuation guides, and "post card" valuation notices.

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With regard to the removal of a provision stating that a variance of 10 percent in any individual appraisal shall not be considered "willful neglect" by a county appraiser, Mr. Courtright explained that similar language exists in another statute. It was the subject of **SB 23** which was introduced as recommended by the Interim Task Force on Property Tax relative to concerns expressed by Judge Terry Bullock with regard to a property tax lawsuit. Senator Langworthy added that Judge Bullock specifically commented on the issue in a recent consent agreement update. Judge Bullock responded positively to the language; therefore, the subcommittee felt it was appropriate to amend it into the bill.

Another provision, also from **SB 23**, deals with the property tax appeal deadline date. The language would change the current deadline from April 15 to within 30 days after the mailing of the valuation notice.

The statutory conformity with the classification amendment is a clean up measure to bring statutory language and assessment rates relating to classes of property into conformity with language in the *Kansas Constitution* which was amended in tax year 1993.

Another change recommended by the subcommittee extends the confidentiality requirements for Department of Revenue personnel to any person or entity contracting with the Department. This provision was part of **SB 72** passed out favorably by the Senate Judiciary Committee. With this, Mr. Courtright concluded his review.

Senator Donovan began a discussion regarding the 4 percent penalty fee for delinquent property taxes. Senator Lee emphasized that the penalty does not apply to taxes on appeal or for underpayment of taxes. She relayed to the committee a conversation she had with a Kansas business man who indicated that the 4 percent differential is not enough to discourage the use of counties as "banks" by a number of businesses.

Senator Bond began a discussion regarding the status of **SB 142** concerning the qualifications of county appraisers. Senator Langworthy said the House acted on the bill today in the form of **HB 2501** which passed on Final Action. Senator Bond noted that **SB 142** did not pass the Senate overwhelmingly and expressed his concern that its inclusion in **HB 2105** would put the passage of the bill at risk. He suggested that the committee address **SB 142** when considering **HB 2501**.

Senator Bond moved to remove the provisions of **SB 142** from **HB 2105**, seconded by Senator Lee. The motion carried.

In response to a question regarding the fiscal notes for the Senate and House versions of **HB 2105**, Mr. Courtright said the Department of Revenue estimated that under the House version the fiscal note would be approximately \$28 million--\$2 million from the retroactive application of the federal waiver, \$13 million from the good faith language, \$7.5 million from the sales tax audit, and \$6 million to \$6.5 million for the low interest rate on delinquent taxes. Based on the Senate subcommittee version, the Department reported that the fiscal note is minimal, if any.

Senator Bond moved to adopt the subcommittee report on **HB 2105**, seconded by Senator Lee. The motion carried.

Senator Karr moved to report **HB 2105** favorable for passage as amended, seconded by Senator Donovan. The motion carried.

The meeting was adjourned at 1:53 p.m.

The next meeting date is to be announced.

# SENATE ASSESSMENT AND TAXATION COMMITTEE GUEST LIST

DATE: April 1, 1997

NAME	REPRESENTING
Anne Spiess	Peterson Public Affairs Group
Shirley Sicilian	KIDOR
Janna Johnson	KSOR
MARK BECK	KDOR
<del>Simlley</del>	KBA
GARY RABBITZ	KOA
J.P. SMALL	KOCH INDUSTRIES
JOYCE COKER	JOHNSON COUNTY GOVNT.
Carol Weason	WRI
John DeGruiser	WRI
Dave Holtey	WTF
Ken Baker	Raytheon Aircraft Corp.
Kevin Robertson	KS. ODTAL ASSN.
Harriet Lang	Ks Assn of Broadcasters
Bob Totten	Ks Construction Association
Jon Jossland	KU
JASON PITENBERGER	BRAD SMOOT

SESSION OF 1997

EXPLANATORY NOTE ON HOUSE BILL NO. 2105

As Amended by Senate Subcommittee

**Brief\***

H.B. 2105, the Kansas Tax Equity and Fairness Act of 1997 (KTEFA), would make a number of statutory changes with respect to tax policy administration.

***Interest Rate Equalization***

Interest for tax overpayments of sales and income taxes would be payable at the same rate established for delinquent or unpaid taxes pursuant to K.S.A. 79-2968—the federal underpayment rate plus 1 percent. That new interest rate would be effective for all taxable periods commencing after December 31, 1997, and interest also would be paid on all sales tax overpayments from all taxable periods subject to assessment as of January 1, 1998. Current law provides for 6 percent interest on income tax overpayments, and that rate already had been statutorily set to change to the federally determined rate on January 1, 1998. Interest on sales tax overpayments is not allowed under current law. (Sections 1-3, 25-29)

***Property Tax Interest Rates***

For property taxes, the delinquent interest rate would be changed from the 12 percent rate under current law to the rate prescribed by K.S.A. 79-2968 plus 2 percent. Property tax refund interest would be allowed under certain circumstances at the rate prescribed by K.S.A. 79-2968 minus 2 percent. Refund interest would be payable solely from the county general fund, and other taxing subdivisions would not be affected. Interest would not be payable in cases where taxpayers had failed to produce adequate

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.ink.org/public/legislative/fulltext-bill.html>.

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Attachment 1

documentation at or prior to the informal conferences with county appraisers and in cases where the tax paid under protest included delinquent taxes. Moreover, if SBOTA or a court found that any unreasonable time delay had been attributable to the actions of the taxpayer, all or part of any interest entitlement could be waived.

#### ***Administrative Ruling Publication***

The Secretary of Revenue would be required on and after January 1, 1998, to make available in a medium "accessible to all taxpayers" all administrative rulings affecting the duties and responsibilities of taxpayers, including revenue notices, revenue rulings, information guides, policy directives, private letter rulings, and Property Valuation Division directives. (Private letter rulings would be provided in such a manner that the requesting taxpayer's identity would be concealed.) The Secretary also would be required to publish a description in the *Kansas Register* within 30 days of each administrative ruling. (New Section 4)

#### ***Informal Reconsideration Conference***

Under current law, income and excise tax appeals require formal evidentiary hearings in front of the Director of Taxation pursuant to K.S.A. 1996 Supp. 79-3226—hearings which must be conducted in accordance with the Kansas Administrative Procedures Act (KAPA). KTEFA would amend the statute to eliminate the formal-hearing requirement and replace it with an "informal" conference which could be conducted by the Secretary or his designee and would review and reconsider all facts and issues that underlie the proposed liability or denial of refund. The informal reconsideration conferences would not be considered adjudicative proceedings under KAPA, would not have the rules of evidence apply, and would not require legal representation. Taxpayers could designate attorneys, certified public accountants, or any other person to represent them or provide information at the conferences. No record would be made of the conferences unless requested by and at the expense of one of the parties. The Secretary or his designee conducting the conference could confer at any time with any staff member with respect to a case under reconsideration. A final determination would be required within

270 days, which would constitute final agency action subject to administrative review by the State Board of Tax Appeals (SBOTA). If a final determination were not to be rendered within 270 days, the taxpayer then could appeal directly to SBOTA. (Sections 5-14, especially Section 10)

#### ***Private Delivery Services***

The Secretary would be required to allow the use of private delivery services for income or excise tax remittances, and the determination of "timely filing" regarding such services would be made in the same manner and to the same extent as provided for in federal law. (Section 15)

#### ***Employee Performance Evaluations***

Departmental employee evaluations could not be based on a production quota system based on total assessments issued, total amount or percentage of taxes collected from settlements, or other means, before final judgment. This provision broadens an existing clause in the 1989 Taxpayer Bill of Rights (TBOR). (Section 16)

#### ***Federal Waiver Restriction***

The use of federal waivers for state income tax assessment purposes would be restricted so that only those issues considered by the IRS may be assessed by the Department under the federal waivers. The Senate subcommittee removed the retroactive application of this section, which under the original bill would have been retroactive for any appeal from a notice of assessment pending on the effective date of the bill. (Section 17)

#### ***Direct Sales Tax Refunds***

Consumers or purchasers would be authorized to pursue sales tax refunds directly from the Department in cases where:

1. they originally had paid the tax directly to the Department;

2. the retailer refused or was unavailable to refund the tax;
3. the retailer did not act upon the refund request in a timely manner; or
4. the Department had audited the consumer or purchaser as a business and it had been determined that a vendor collected tax which was not due and owing, the consumer or purchaser was registered to collect and remit tax, and the consumer or purchaser provided an affidavit to assure he would not request a duplicate refund through the vendor. In cases where the Director of Taxation found that a retailer had not acted upon a refund request in a timely manner, he also could extend the statute of limitations for the refund claim beyond three years. (Section 18)

***Presumption of Good Faith***

New Section 19 provides that a vendor would be presumed to have accepted an exemption certificate or affidavit in good faith if the document is properly completed, the vendor has ascertained the identity of the person or entity presenting such document, and the vendor has no knowledge that its presentation is otherwise improper. The Director of Taxation would be required to prescribe the form for exemption certificates. Vendors considering honoring a resale exemption claim could require purchasers to provide copies of their sales tax registration certificates along with the resale certificates. Purchasers seeking to lawfully present resale exemption certificates would have to be engaged in the business of selling property or services of the same kind being purchased, hold a registration certificate, and either have the intent of reselling the property in the regular course of business or be unable to determine whether the property would be resold or used for some other purpose. Persons issuing resale or other exemption certificates to unlawfully avoid payment of tax would be guilty of a misdemeanor and subject to increased penalties levied by the Director. Exemption certificates for nonprofit entities would be required to contain the name and address of the entity, cite the statutory subsection of K.S.A. 79-3606 under which the exemption is being claimed, and be signed by an officer of the entity. Any person refusing to pay a retailer tax that is lawfully due would be guilty of a misdemeanor and



subject to penalties prescribed in K.S.A. 1996 Supp. 79-3615 (g).  
(New Section 19 and Section 20)

***Reduction of Certain Property Tax Penalties (stricken)***

***Property Taxpayers' "Right to Know"***

New language would be added to K.S.A. 1996 Supp. 79-2001 to require that, beginning in tax year 1998, property tax information forms be mailed to each taxpayer (as indicated by the tax rolls) with data on:

1. the assessed valuation of real property for the current and preceding taxable year;
2. the mill levies for each taxing unit for the current and preceding taxable year; and
3. the percentage change in revenue produced from each taxing unit's mill levy change from one year to the next.

For agricultural land, the information forms would be required to indicate the acreage and description of each parcel. The forms would be required to indicate separately each parcel of real estate which is separately classified for property tax purposes. (Section 30)

***Estimated Tax Underpayment Penalty***

The income tax estimated tax provisions would be amended to provide that no penalty would be imposed for underpayment if: (1) no return was required to be filed for the prior year; or (2) the liability for the prior year was less than \$200 for an individual or \$500 for a corporation. (Section 31)

***Sales Tax Audit Reform Act (stricken)***

***Change of Property and Motor Vehicle  
Tax Distribution Dates***

K.S.A. 12-1678a and K.S.A. 1996 Supp. 79-5109 would be amended to change two property and motor vehicle tax distribution dates—from on or before the last business day before March 5 to on or before the last business day before March 20; and from on or before the last business day before September 5 to on or before the last business day before September 20. (Section 33)

***Improvements on City-Owned Land***

K.S.A. 1996 Supp. 79-412 would be amended to provide that improvements owned by entities other than a city on city-owned land may be assessed to the owners of such improvements, and the taxes may be collected by levy and sale of the interests of such owners the same as in cases of personal property tax collection.

***Political Subdivision Sales Tax Exemption Certificates***

Political subdivisions (and certain hospitals, schools, educational institutions, and the federal government) would be allowed to obtain "agent status" and issue sales tax exemption certificates to their contractors. (Replaces blanket exemption certificate language.)

***Part-Time County Appraisers and Appraiser Qualification***

K.S.A. 19-430 would be amended to authorize counties with populations up to 25,000 to employ part-time county appraisers. (Current law authorizes this option for counties with a population of up to 20,000.) The option would be made available to Cherokee, Labette, Franklin, and Miami counties under this amendment.

Persons could qualify as a county appraiser in two new ways: (1) by becoming a Registered Mass Appraiser under rules and regulations adopted by the Secretary of Revenue; and (2) by holding a valid Residential Evaluation Specialist or Certified

Assessment Evaluation designation from IAAO. Persons serving as county appraisers on July 1, 1997 would be eligible for reappointment or original appointment in another county until July 1, 1999, as would persons with at least three years of mass appraisal experience who are certified by the PVD Director as an eligible Kansas appraiser. All such persons would be eligible for reappointment to a full term if they met the qualification requirements outlined by K.S.A. 19-430.

#### ***Property Tax Receipts***

The current requirement in K.S.A. 79-2002 for county treasurers to provide receipts for taxes paid would be changed to require receipts be issued only when requested by taxpayers.

#### ***Property Tax Exemption Effective Date***

K.S.A. 1996 Supp. 79-213 would be amended to provide that when SBOTA grants an initial request for exemption, the exemption would be effective upon commencement of construction—provided such construction is commenced within 24 months prior to the first exempt use of the property. This provision would be retroactive to tax year 1996.

#### ***Property Tax Exemption for Rural Water Districts***

K.S.A. 1996 Supp. 79-201a would be amended to clarify that all works, machinery, and fixtures used exclusively by certain entities performing the functions of rural water districts would be exempt from property tax.

#### ***Correction of Clerical Errors***

K.S.A. 79-1702 would be amended to allow a county commission by a majority vote to request SBOTA to order refunds of incorrect property taxes over three years old attributable to clerical errors. Current law requires a unanimous vote of a county commission to make such recommendation. (S.B. 206 as amended.)

***Definition of "State" for Income Tax Purposes***

K.S.A. 79-32,111 would be amended to provide that "state" in the income tax act would have the meaning ascribed to the term by subsection (h) of K.S.A. 79-3271 and would include foreign countries.

However, under no circumstances could the total amount of credit claimed exceed the difference between the total amount of tax paid to the foreign country less the federal credit amount. (S.B. 209 with new language.)

***Office Space for Optometrists, Dentists, and Podiatrists***

Real property owned or being acquired to a lease-purchase agreement by municipalities or political subdivisions would be able to retain its property tax exemption if it provides office space for optometrists, dentists, or podiatrists. (S.B. 239 plus.)

***Circuit Breaker***

When the appraised valuation of any owner-occupied single family residence increases by 75 percent or more from one year to the next, a portion of the tax attributable to the increase would be refunded to the taxpayer for each of three tax years, provided the increase was not due to the property's being improved. (Floor amendment to H.B. 2031.)

***Towers, Antennas, and Relay Sites***

The portion of fair market value of real property attributable to the leasing of real property for the purpose of placing a wireless communications tower, antenna, or relay site upon the property would be entered on the assessment roll and taxed separately to the owner of such equipment. This provision also would stipulate that real property upon which such equipment is located would continue to be exempt from property taxation if it had been exempt previously. (Floor amendment to H.B. 2031.)

***Use Value Capitalization Interest Rate***

The property tax use valuation for agricultural land statute would be amended to phase in the "federal reserve farm loan interest rate" to replace the federal land bank rate, which is no longer available.

***PVD Authority to Promulgate Valuation Guides***

K.S.A. 79-5105a would be amended to clarify that PVD has the authority to publish guides relative to the valuation of personal property.

***"Post Card" Valuation Notices***

Counties could send alternative valuation notices approved by the PVD Director in any year in which the valuation of real property has not changed from the prior year. (S.B. 107)

***Removal of 10 Percent Variance Language***

K.S.A. 79-503a would be amended to remove a provision stating that a variance of 10 percent in any individual appraisal shall not be considered "willful neglect" by a county appraiser. (Such provision exists elsewhere in statute.) (S.B. 23)

***Property Tax Appeal Deadline Date***

K.S.A. 79-1448 would be amended to change the deadline for appeals of property tax valuation from April 15 to "within 30 days subsequent to the date of mailing of the valuation notice" by the county. (S.B. 23)

***Statutory Conformity with Classification Amendment***

K.S.A. 79-1439 would be amended to bring the language and assessment rates relating to classes of property into conformity with language in the *Kansas Constitution*. (H.B. 2538)

### ***Confidentiality Requirements***

Confidentiality requirements for Department of Revenue personnel would be extended to any person or entity contracting with the Department. (Part of S.B. 72.)

### **Background**

Based on testimony given to a Senate subcommittee, the Department of Revenue thought the House version of the bill could have a fiscal note of as high as \$28 million. (The retroactive application of Section 17 would be expected to reduce corporation income tax receipts by \$2.0 million in FY 1998. The Department also said that the changes in the "good faith" presumption language could reduce State General Fund receipts by an additional \$13.0 million annually; and that the sales tax audit reform provision could reduce receipts by an additional \$7.65 million annually. Finally, the Department said that the interest rate provisions adopted by the House could add another \$6 million to the fiscal note.) The Senate subcommittee version of the bill does not have any fiscal note.

Many of the House Taxation Committee amendments, including changes in the proposed "good faith" presumption and insertion of the Sales Tax Audit Reform Act, were recommended by a subcommittee.

House Committee of the Whole amendments included:

1. clarifying that property tax refund interest would be available only for those protests or appeals commenced after the effective date of the bill;
2. changing motor vehicle tax distribution dates to conform with proposed changes in property tax distribution dates;
3. the amendment to K.S.A. 1996 Supp. 79-412 relating to taxes on improvements on city-owned land;

4. authorizing blanket sales tax exemption certificates for certain projects with a total cost below \$10,000;
5. authorizing counties with a population between 20,000 and 25,000 to employ part-time county appraisers;
6. the amendment to K.S.A. 79-2002 which would require county treasurers to issue property tax receipts only when requested by taxpayers;
7. changing the interest rate for tax overpayments and delinquencies from "the federal underpayment rate plus one percent" to "the federal underpayment rate minus three percent";
8. the amendment to K.S.A. 1996 Supp. 79-213 to provide that when SBOTA grants an initial request for exemption, the exemption would be effective upon the commencement of construction, not to exceed 24 months prior to the date of the first exempt use;
9. the amendment to exclude the application of the 25 percent administrative personnel resources limitation to sales tax audits conducted outside the state; and
10. the amendment to K.S.A. 1996 Supp. 79-201a to clarify that all works, machinery, and fixtures used exclusively by an entity performing the functions of a rural water district would be exempt from property tax.

Senate Subcommittee amendments included:

1. providing for interest on tax overpayments of sales and income taxes at the federal underpayment rate plus 1 percent;
2. providing for a 4 percent differential in the property tax delinquent interest rate and the property tax refund interest rate;
3. providing that property tax refund interest would not be payable under certain circumstances;

4. removing the retroactive application of the federal waiver restriction;
5. striking the proposed "Sales Tax Audit Reform Act";
6. changing the sales tax blanket exemption certificate language to instead allow political subdivisions and other entities to obtain agent status;
7. adding the provisions of S.B. 142 relating to the qualifications of county appraisers;
8. changing the "good faith presumption" language to return to the original language in the bill;
9. adding the provision about correction of clerical errors;
10. adding the provision about defining "state" for income tax purposes to include foreign countries;
11. adding the provision about office space for optometrists, dentists, and podiatrists;
12. adding the circuit breaker provision;
13. adding the provision about tax treatment of towers, antennas, and relay sites;
14. adding the provision about the change in the use value capitalization interest rate;
15. adding the provision about PVD's authority to issue guides;
16. adding the provision about post card valuation notices;
17. adding the provision removing the 10 percent variance language from K.S.A. 79-503a;
18. adding the provision changing the deadline date for property tax appeals;
19. adding the provision about statutory conformity with the classification amendment;

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20. adding the provision about confidentiality requirements and their application to contractors working for the Department; and
21. striking proposed reductions in penalties for late filing of personal property renditions.

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