

MINUTES OF THE HOUSE COMMITTEE ON TAXATION..

The meeting was called to order by Chairperson Phill Kline at 9:00 a.m. on February 17, 1998 in Room 519-S of the Capitol.

All members were present except: Rep. Presta

Committee staff present: Tom Severn, Legislative Research Department
Shirley Sicilian, Department of Revenue
Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Rep. Brenda Landwehr
Mary Kay Culp, Kansas Catholic Conference
Diane Gjerstad, Wichita School District
Bob Voboril, Pres., Ks. Assn of Non-Govt. Schools, Wichita
George Petersen, Kansas Taypayers Network
Rabbi Lawrence P. Karol, Temple Beth Sholom, Topeka

Others attending: See attached list

Chair Kline called for introduction of bills.

Moved by Representative Cook, seconded by Representative Palmer, introduction of bill to move the acceleration of reduction on property taxes to vehicles to be paid out in 1998. Motion carried.

Moved by Representative Powell, seconded by Representative Cook, introduction of bill to set a uniform car tax and remit portions to the local government . Motion carried.

Chair opened hearings on:

HB 2755 - Income tax credit for teaching aids and certain education expenses

Proponents:

Rep. Brenda Landwehr (Attachment 1)
Mary Kay Culp, Kansas Catholic Conference (Attachment 2)
Diane Gjerstad, Wichita School District

Ms. Gjerstad had discussed this bill with the School Board and they were all positive toward this bill. She urged the committee to consider the bill favorably for passage.

Bob Voboril, Pres., Ks. Assn of Non-Govt. Schools, Wichita
George Petersen, Kansas Taypayers Network (Attachment 3)

Opponents:

Rabbi Lawrence P. Karol, Temple Beth Sholom, Topeka (Attachment 4)

Due to lack of time, Chair announced continuation of hearing to the next meeting.

The next meeting is scheduled for February 18, 1998.

Adjournment.

Attachments -4

TAXATION COMMITTEE GUEST LIST

DATE: FEBRUARY 17 - 1998

NAME	REPRESENTING
Bob Voboril	Kansas Association of Non-Gov. Schools
Mark Tallman	KASB
George Petersen	Ks Teachers Network
Craig Grant	HWEA
Diane Gjerstad	USD 359 - Wichita
Jocelyn Clark	Hallmark

TAXATION COMMITTEE GUEST LIST

DATE: FEBRUARY 17, 1998

NAME	REPRESENTING
<i>Norm Halton</i>	<i>Wester Revenue</i>
<i>David Barfield</i>	<i>C.H.E.C.K</i>
<i>[scribble]</i>	<i>"</i>
<i>Roger Teelkes</i>	<i>Senator Newsboys Office</i>

State of Kansas
House of Representatives

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TOPEKA

BRENDA K. LANDWEHR
Representative, Ninety-First District

COMMITTEE ASSIGNMENTS
HOUSE APPROPRIATIONS
SRS SUBCOMMITTEE
JOINT COMMITTEE ON CHILDREN
AND FAMILIES

February 17, 1998

Testimony for
Education Tax Credit
For
Parents and Teachers (HB2755)

Thank You Mr. Chairman and Committee members for allowing me the opportunity to appear before you today in support of HB2755. I know that you have several conferees to testify on behalf of this bill so I shall keep my comments brief. This bill allows for a refundable tax credit for parents and teachers for education expenses. There are two parts to HB2755, one part of this bill provides a dollar for dollar tax credit for teachers for unriembursed education materials used in his or her classroom with a cap of \$500. The other part of this bill provides a 25% refundable tax credit for parents of educational expenses over \$250 with a cap of \$500 per family.

A Parent and Teacher tax credit allows those closest to the child to direct their own tax money for a child's education. Parental involvement has been shown to be the biggest single indicator of improved performance for the child. Teachers provide their own funds for education and should be allowed a direct tax credit. Teachers should not have to jump through extensive hoops to be reimbursed.

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2-17-98
Attachment 1-1

In my newspaper on Sunday, February 15, 1998, it was said by one individual that this bill provided tax dollars to teachers at private schools. This bill does not provide any tax dollars to any public or private schools. This bill provides parents and teachers the ability to use their own tax dollars for the education of the children. It makes you wonder why someone would want to take away from parents and not allow them to use their tax dollars to help educate their children. Other states have done tax credits. Precedents for **tuition** tax credits (which this bill does not provide for) from Minnesota were established in a Supreme Court decision in 1983. Minnesota has expanded their tax credits for education as high as \$2,500 per child. Previously that amount was as high as \$1,000. I would be happy to supply information on what Minnesota has done at the committee's request. Educational materials tax credits for parents and teachers would be a far less controversial decision and easily supportable decision.

The state of Kansas provides tax breaks for companies, why shouldn't it do the same for the education of our children? A most recent example would be the NASCAR racetrack in Wyandote County. This bill helps all parents and all children regardless of race, sex or religion.

The fiscal note for this bill from Division of Budget shows \$24.5million. It was estimated by Ben Barrett that participation by teachers at the full \$500 could be guesstimated at approximately 25% usage. That brings the fiscal on the teacher tax credit at \$4.1million. Total that with the fiscal on the family side of \$8.1million and you bring the fiscal on this bill to \$12.2million. This is also reflected in the information provided by Kansas State Department of Education to the Division of Budget.

I know that you have others here today to speak on behalf of this bill and I would be happy to stand for questions at that time if it so pleases the Chairman.

Respectfully submitted,

Rep. Brenda Landwehr

TESTIMONY

H.B. 2078

HOUSE TAXATION COMMITTEE
Wednesday, February 12, 1997

KANSAS CATHOLIC CONFERENCE
Mary Kay Culp, Assoc. Dir. of Education

Mr. Chairman, members of the Committee on Taxation - my name is Mary Kay Culp, Associate Director of Education for the Kansas Catholic Conference, which represents the Roman Catholic Bishops of Kansas. I am also executive director of the Catholic School Parent League of Kansas which includes parent representatives at each of the 112 Kansas Catholic schools, all of which are state accredited. Our schools currently educate 30,000 Kansas elementary and high school children. In addition, we support public schools, not the least of the reasons being that Kansas public schools can count an additional 70,000 Catholic children among their ranks.

The Kansas Catholic Conference and the Catholic School Parent League of Kansas supports and encourages the passage of H.B. 2755. which would enable certified teachers in accredited public and private schools to take up to a \$500.00 annual tax credit for teaching aids bought out-of-pocket, and which also would enable the parents of K-12 students a tax credit of 25% of any funds spent for education expenses, exceeding \$250.00. Those expenses exclude tuition, the major portion of the cost of attending a private school, but do include educational materials, textbooks, fees, school supplies and home computer hardware and software.

Last year this committee heard H.B. 2078, which closely resembles the teacher tax credit portion of the current legislation. At that hearing, the Kansas Association of School Boards supported the legislation, but the American Civil Liberties Union attempted to amend the bill to exclude private school teachers. Thus, in case that happens in regards to this bill, my remarks will be directed at why private school parents and teachers should not be excluded.

1. This legislation does not direct any state money to private schools--only to teachers and parents of K-12 public and private school students.
2. Tax credits of this kind have been passed and are in operation in Minnesota and Iowa and are being introduced into numerous state legislatures across the country as we speak.

3. Because the tax credit does not apply to tuition expenses, nor can tuition expenses even be credited towards the first \$250.00 which must be spent before the 25% tax credit applies, no one can argue that private school parents are treated better than public school parents in this bill. 25% of the funds my husband and I spent in 1997, above the \$3,400 for tuition and the \$250 for textbooks, which would satisfy the deductible amount in this bill equals approximately \$100.00: \$60.00 for school supplies and \$40.00 for a foreign language software program. This would put our tax credit under this bill at \$25.00. I suspect that most families with K-12 children in both public and private schools would have similar tax credit amounts, and many, none at all. The exception would be in years in which they purchase computer hardware.
4. Computer hardware purchases indeed will be the reason for the highest parent tax credits afforded by this bill, however, it is important to note several things.
 - a.) Families don't purchase computers every year, or even every other year.
 - b.) Most middle and higher income families already own computers. Thus, most of the tax credits based on computer hardware purchases allowed by H.B. 2755 would go to lower income families.
 - c.) Most families have more than one K-12 student, thus a home computer usually benefits more than one K-12 student, and sometimes three or four.
 - d.) Much computer learning is self-taught by trial and error and is time intensive, best accomplished at home. For this reason and others, children with computers at home have a distinct advantage over students who do not. Even the best computer equipped school in the state does not afford students adequate access to computers on a daily basis, and certainly not for homework. As a member of the Kansas Department of Education's E-rate Technology Plan Certification Review Team, I know of which I speak.
 - e.) New, state of the art computers complete with monitors and printers can now be bought for approximately \$1,200.00. Adequate, used computers, for far less. Even if a student's family spent the first \$250.00 on other eligible education expenses, making an entire \$1,200.00 cost of a new computer eligible for the 25% tax credit in a given year, it would total no more than \$300.00—well under the \$500.00 annual family cap.

5, As regards the teacher tax credit, I imagine a private school's reasons for support are not unlike those of the public schools. Indeed the Kansas Association of School Boards said as much at the hearing on H.B. 2078 last year. That is, while there are often processes for equipment purchase and/or reimbursement to teachers for certain teaching aids, these must be anticipated and the budget process accomplished well in advance in order to insure that purchase or reimbursement will take place. When a need is determined after the annual budget is set, many unanticipated, yet credible and necessary purchases by teachers go unreimbursed. The rapid explosion in availability of education software is just one example. As Jerry Deegen, principal of St. Thomas Aquinas High School in Overland Park, Kansas pointed out, teachers purchase aids such as certain new software titles or items to facilitate presentations or projects, when they feel strongly that it will benefit their students. In other cases certain hardware such as VCR machines are only available on a scheduled or as-available basis. Many a teacher has become frustrated enough watching their lesson plans come to a standstill to go out and buy their own such equipment. They then keep this equipment as part of the personal teaching arsenal. When a private school teacher moves to a public school they take this equipment along with them.

H.B. 2755 is not a lot, of things. It is not vouchers, nor tuition tax credits. But it is something. Something to make every certified teacher know we care about their real needs. Something to allow parents, mostly low income parents, a better opportunity to offer their children supplies and state of the art equipment long available to upper income children, necessary to prepare for the job market in the fast approaching century.

Although everyone from the President on down claims that education has to be priority number one for our nation, the teachers and parents of school children are hard pressed to make it in this society as they try strive to accomplish this task. This is especially true of Catholic and other private school teachers and parents who pay their share for public education while at the same time using their after-tax money to finance a private school system that saves the taxpayers in Kansas over \$200,000,000 annually--schools which we voluntarily submit to the state accreditation process. We believe private schools make public schools better and visa versa.

MINNESOTA Department of Revenue[Home Page](#) [Previous](#)

Education Credit

Who qualifies?

Families with a "household income" not exceeding \$33,500 with dependent children in public, private, or home schools may qualify for the educational credit. Students must be in kindergarten (K) through grade 12 when the education is provided. Part-time Minnesota residents and nonresidents may also qualify for the credits.

Your total household income is not the same income listed on the income tax form. It includes the federal adjusted gross income and types of nontaxable income minus dependents, elderly, or disabled. For the education credit, it is figured the same way as it is on the Minnesota Property Tax Refund Application (M-1PR), lines 1-8, and the Minnesota Child and Dependent Care Credit Schedule (M-1CD), lines 1-6.

If you have tax questions, please call one of our tax help numbers.

Questions or comments about this web site, send e-mail to DORWeb.comm@state.mn.us or write to the address below.

Minnesota Department of Revenue
Communications Division, Mail Station 4300
10 River Park Plaza
St. Paul, MN 55146-4300

Revised: November 18, 1997

URL: <http://www.taxes.state.mn.us/factsheets/special/edwho.html>

KANSAS TAXPAYERS NETWORK

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17 February 1998

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TESTIMONY ON H.B. 2755

By George Petersen

The Kansas Taxpayers Network supports H.B. 2755 as a way of defraying educational costs which might be imposed upon students and their families in Kansas. In Wichita, that public school district received over \$2 million in non budgeted revenues from students and their families attending USD 259. KTN has been told that each individual school district has its own policy and charges concerning attendance.

This figure in USD 259 includes text book fees, activity fees, charges for certain classes which includes at least one special education program according to information given to KTN by this school district. It is possible to combine the fees, charges and assessments so that this figure would exceed the \$250 threshold contained in H.B. 2755. Frankly, KTN would prefer a smaller threshold figure and a requirement that school budgets include these revenues and other non budgeted revenues in the district's regular budget.

Education tax credits are not new. Minnesota has had a varied program of education tax credits in place for several decades and this program has worked well. In 1997, the Minnesota system of tax credits and deductions for K-12 education in this state was expanded. This tax credit creates more accountability in the education system, empowers families, and allows teachers to receive reimbursement in cases where it would otherwise be denied.

KTN urges the House Taxation Committee to support H.B. 2755.

House Taxation
2-17-98
Attachment 3-1

**Remarks by Rabbi Lawrence P. Karol, Temple Beth Sholom, Topeka, Kansas
on HB #2755, Session of 1998, State of Kansas**

I am here to voice my opposition to Sections 1 and 2 of House Bill No. 2755.

My experience with law does not come from dealing with legislation or case law from our courts. I am used to dealing with questions of appropriate practice in my own religious context, the Jewish tradition. There are, in fact, many principles from rabbinic law that have parallels in our legal system and in the wording of legislation throughout our 50 states.

One principle I have learned from my study of rabbinic literature is that there is a difference between direct and indirect support of a particular cause or recipient. That principle is being applied as we speak in Israel, as traditional and liberal Jews are trying to reach a compromise on who can set standards for conversion, marriage and other areas of personal status.

That principle of direct and indirect support applies to Sections 1 and 2 of House Bill No. 2755. Under current tax law, teachers of secular and religious subjects have the right to take as a tax deduction their business expenses. This tax benefit is established before a teacher or parent submits his or her tax return. The government is not involved in taking the deduction.

A tax credit would fall under the category of direct support, because it involves a payment back to the teacher/taxpayer or parent/taxpayer from the pool of money into which all of us have paid our taxes. I do not expect or want anyone else to have their tax money be paid to my congregation as a tax credit for teaching our students Judaism. I am certain that Kansans would want to know exactly what is being taught in the classrooms of religiously-oriented private schools before parents or teachers would receive a tax credit for some of their materials. Let us imagine that, in 1% of those classrooms, a teacher is teaching that people who don't believe exactly what they believe are not saved and will suffer eternal punishment. That is a belief that might not be covered by the Kansas act against discrimination. That is a belief that those individuals have every right to hold, but it is not a belief that many Kansans would want

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their tax money to support in the form of a tax credit paid from the pool of the taxes we all pay to our state.

Another issue that is uncertain in this bill is the issue of certification of teachers. I am well aware that there is a system of state certification. However, I also know that some teachers in private schools do not have to be certified as do public school teachers. With the current wording, I would wonder if all teachers receiving a credit would actually be certified.

I can see the ways in which this bill might benefit all certified teachers and all parents of students in any school. However, I feel that the tax credit offers support that would, in effect, cross over the line of accommodation of religion and become establishment of religion. I cannot, in good conscience, allow any of my tax money to have even a chance of supporting the purchase of instruction materials that would condemn my beliefs or wish the disappearance of my faith group or others.

I would hope that you would reject this bill and utilize other methods, such as tax deductions, to decrease the burden of the cost of education for teachers and parents.