

Approved March 21, 2002
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Chairman Edmonds at 9:00 a.m. on February 26, 2002 in Room 519-S of the Capitol.

All members were present except:

Representative Mays, excused
Representative T. Powell, excused

Committee staff present:

Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor
Winnie Crapson, Secretary

Conferrees appearing before the Committee:

None

Others attending:

See attached list.

Committee was recessed until a quorum was present at 9:06 a.m.

Consideration of HB 2714 was opened.

Representative Edmonds distributed copies of **HB 2091** (Property exemption amount increased on business machinery, equipment and supplies) as amended by this Committee and by House Committee of the Whole, together with Supplemental Note. Committee held hearing on **HB 2091** February 15, 2001; it was reported favorable for passage as amended March 20, 2001; was passed as amended March 23, 2001; and referred to Senate Assessment and Taxation March 26, 2001.

Proposed amendment to **HB 2714** was distributed incorporating provisions of **HB 2091**.

Representative Palmer moved, Representative Sharp seconded, that HB 2714 be amended by including provisions of HB 2091 (Attachment #1).

Representative Kirk offered a Substitute Motion, Representative Larkin seconded, changing proposed amendment to extend effective date in Sec. 2 to reflect tax years 2003 rather than 2002; 2004 rather than 2003; and 2005 rather than 2004. Substitute motion was defeated.

Motion of Representative Palmer was adopted.

Representative Sharp moved, Representative Vickery seconded, that HB 2714 be reported favorable for passage as amended. Motion was adopted.

Meeting was adjourned at 9:25 a.m. Next meeting is scheduled February 27.

GUEST LIST

DATE Feb. 26, 2002

NAME	REPRESENTING
Tom Bruno	GBBA
Andy Shaw	Goodyear Tire & Rubber Co.
Deann Williams	KS Motor Carriers Assoc.
John Jakubik	The Basin Co.
Christy Caldwell	Tippels Chamber of Comm.
Greg Elton	KTN
Carolyn Honowitz	Rep. Huff
Leslie Kaufman	Ks Farm Bureau
Marlee Carpenter	KCCI
Bob Krehbiel	K 106A

By striking all in line 40 and inserting the following:

"Sec. 2. K.S.A. 2001 Supp. 79-201w is hereby amended to read as follows: 79-201w. The following described property, to the extent specified by this section, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

~~(a)~~ Any item of machinery, equipment, materials and supplies which, except for the operation of the provisions of this section, would be required to be listed for the purpose of taxation pursuant to K.S.A. 79-306, and amendments thereto, and which is used or to be used in the conduct of the owner's business, or in the conduct of activities by an entity not subject to Kansas income taxation pursuant to K.S.A. 79-32,113, and amendments thereto, whose original retail cost when new is ~~\$250-or-less~~ \$500 or less with respect to tax years 2002 and 2003, and \$1,000 or less with respect to tax year 2004, and all tax years thereafter.

~~(b)--The-provisions--of--this--section--shall--apply--to--all taxable-years-commencing-after-December-31,1995-~~

Sec. 3. K.S.A. 79-301 is hereby amended to read as follows: 79-301. All tangible personal property subject to taxation shall be listed and assessed as of the first day of January each year in the name of the owner thereof. Such listing and assessment shall be made as ~~hereinafter~~ provided by law. A county or district appraiser may request the listing of any property not subject to taxation, but no taxpayer shall be required to comply with such request.

Sec. 4. K.S.A. 79-301 and K.S.A. 2001 Supp. 79-201w and 79-32,206 are hereby repealed.;" By renumbering section 3 as section 5;

In the title, in line 9, by striking "income"; also in line 9, by striking all after the semicolon; in line 10, by striking all before the semicolon and inserting "concerning property tax exemptions for and income tax credits for property tax paid upon

certain machinery and equipment"; in line 11, after "K.S.A." by inserting "79-301 and K.S.A."; also in line 11, after "Supp." by inserting "79-201w and"