

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson David Corbin at 1:45 p.m. on April 4, 2002, in Room 243-N of the Capitol.

All members were present except:

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list.

Continued discussion on the Budget Solutions Working Group recommendations and the budget plan submitted by Senator Donovan.

Senator Corbin noted that the Senate Ways and Means Committee passed a budget proposal out of committee late yesterday. He commented that approximately \$320 million in new tax revenue is needed, and Senator Donovan's plan matches that amount. Staff had distributed a copy of a revision of Senator Donovan's plan with a new vehicle registration proposal. (Attachment 1) He went on to say that he would prefer that the Committee recommend passage of a budget proposal on April 5 unless some members feel more time is needed to work on a proposal.

He noted that the Budget Solutions Working Group discussed the possibility of the inclusion of Class C inheritance tax in a revenue proposal and that inclusion of Class C would raise an additional \$20 million. He pointed out that Class C is not part of Senator Donovan's proposal. In addition, he noted that the working group discussed the possibility of higher increases in the cigarette tax than in Senator Donovan's plan.

Senator Lee asked if the \$320 million figure quoted by Senator Corbin takes into consideration what is needed to replenish the highway program funding. Staff commented that Senator Donovan's proposal to increase motor fuel taxes and vehicle registration fees will replace some but not all of the highway program funding.

The meeting was adjourned at 1:55 p.m.

The next meeting is scheduled for April 5, 2002, at 8:30 a.m.

SENATE ASSESSMENT AND TAXATION COMMITTEE
GUEST LIST

DATE: April 4, 2002

NAME	REPRESENTING
John Peterson	Ks Government Consulting
Dodie W. Deeshead Johnson	Patrick Hurley & Co.
Holly Finney	Ks. Public Health Assoc.
KEVIN M WALKER	AMERICAN HEARST ASS'N.
Ann Durkes	TDOB
Andy Deaton	DITB
Deann Williams	KS MOTOR CARRIERS ASSOC.
Erik Sartorius	City of Overland Park
Neal Whitaker	Ks Beer Wholesalers Assoc.
Kathy Camron	Philip Morris
Jane Holstine	Ken Lindstrom
Josie Perez	KADD
Shannon Jones	SUCK
Dale Huffman	Families Together Inc.
Doug Bowman	CCEDS
Matthew Peather	Blue Valley - Randolph
Yvonne Innes	Blue Valley - Randolph
Bryan Mohammed	Blue Valley - Randolph
Grant Good	Blue Valley - Randolph

Senator Donovan - REVISED 4/3/02 WITH NEW M VEH REGISTRATION PROPOSAL

	Sales and Use Tax Rate to 5.5% on June 1, 02; Groceries Exempt on 6/1/04			Changes to FS Rebate Credit: Expand to \$35 & \$70 for TY 02 and 03 Repeal 04	June 1, 02 to 12% Tob Products	June 1, 02 to 50 cents Cigs 26 c incr	Motor Fuels Accelerator from 7/1/03 to 6/1/02	Two Cent Additional Motor Fuels Increase but NOT Diesel 6/1/02	M Veh Reg New Run with Cars up \$2 and trucks up max of \$10 7/1/02	Tax Provisions Total F Note
	Sales	Use	Sales and Use Net							
FY 2003	\$190,970	\$34,677	\$225,646	(\$4,300)	\$839	\$49,200	\$17,825	\$28,156	\$5,080	\$322,446
FY 2004	\$197,176	\$36,411	\$233,587	(\$4,300)	\$902	\$50,700	---	\$28,396	\$5,156	\$314,441
FY 2005	(\$80,766)	\$38,231	(\$42,535)	\$25,000	\$970	\$50,700	---	\$28,636	\$5,233	\$68,004
FY 2006	(\$83,795)	\$40,143	(\$43,652)	\$25,000	\$1,043	\$50,700	---	\$28,876	\$5,309	\$67,276
FY 2007	(\$86,937)	\$42,150	(\$44,787)	\$25,000	\$1,121	\$50,700	---	\$29,116	\$5,385	\$66,535
5-Yr Total	\$136,647	\$191,611	\$328,259	\$66,400	\$4,875	\$252,000	\$17,825	\$143,180	\$26,163	\$838,702

Senate Assessment & Taxation
H-4-02
Attachment 1