

## MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 21, 2007 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department  
Martha Dorsey, Legislative Research Department  
Gordon Self, Office of Revisor of Statutes  
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Secretary Wagnon, KDOR  
Jay Befort, KDOR  
David Corbin, KDOR  
Jeff Scott, KDOR

Others attending:

See attached list.

The Chairman called for bill introductions.

David Corbin, KDOR, provided history on **SB 334** a bill the Department had requested regarding Streamlined Sales Tax (SST). According to the SST governing group, of which Kansas is a member, there needs to be definition changes to the Kansas law to be in compliance to SST. The content of **SB 334** has been put into **Senate Substitute for HB 2171**. Mr. Corbin requested a bill introduction to address the issue. Representative Wilk made a motion to request a bill introduction regarding SST definition changes. Representative Owens seconded. The motion carried.

**SB 198 - Providing for a breast cancer research and outreach license plate.**

Chris Courtwright, Legislative Research Department, said the bill would authorize issuance of a new distinctive license plate for breast cancer research and outreach, effective January 1, 2008. He explained the purchasing process for the plates, and the intended use of the funds.

Representative Carlson made a motion to attach HB 2430, as it came out of the committee, to SB 198. Representative Siegfried seconded the motion. The motion carried.

After discussion Representative Siegfried made a motion that the Committee pass out SB 198, as amended, favorable for passage. Representative Treaster seconded the motion. The motion carried.

**SB 34 - Additional projects that qualify pursuant to the transportation development district act**

Representative Wilk made a motion to change the enactment date on SB 34 from the statute book to publication date in the Kansas register. Representative Siegfried seconded the motion. The motion carried.

Representative Owens moved the Committee move out SB 34, as amended, favorable for passage. Representative Carlson seconded the motion. The motion carried.

**SB 115 - Revocation of retailers's sales tax registration certificate in certain circumstances and prescribing certain unlawful acts related thereto**

Chris Courtwright, Legislative Research Department, said the bill, as amended, would authorize the Secretary of Revenue to suspend or revoke the sales tax registration certificate of certain taxpayers found in default for at least 60 days in the remittance of the tax or failure to file returns. He explained KDOR's 30 days' notice requirement and the process for suspended or revoked certificates.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 21, 2007 in Room 519-S of the Capitol.

Representative Wilk made a motion to change the enactment date in **SB 115** from the statute book to publication date in the Kansas register. Representative Owens seconded the motion. The motion carried.

Representative Whitham moved that **SB 115**, as amended, be passed out favorably. Representative Davis seconded the motion. The motion carried.

**HB 2549 - Time for notice of acquisition or sale of vessels to county appraiser for computation of value for property tax purposes.**

Mark Beck, KDOR, explained that **HB 2549** changed the date for reporting the sale of a vessel. It was the consensus of counties that the date chosen should coincide with the due date of personal property taxes. The bill strikes the time frame "*within 30 days after*", and adds "on or before December 20 of the year of" (Attachment 1). He clarified the definition of "record owner".

Representative Crum made a motion to adopt the balloon, as presented, on **HB 2549**. Representative Siegfried seconded the motion. The motion carried.

Representative Hayzlett made a motion to pass out **HB2549**, as amended. Representative Goyle seconded the motion. The motion carried.

**HB 2548 - Social Security number (SSN) or tax identification number required for licensure, certification or registration with state authorities.**

Jay Befort, KDOR, distributed a balloon amendment for proposed revision language for **HB 2548**. He said the balloon was drafted per the Committee's direction at yesterday's meeting. The Department was to find a way to seek information from the taxpayer, the applicant, in such a way that they do not have to provide their SSN to the licensing agency, but in a way they could provide their SSN to KDOR for confirmation that the taxpayer had filed tax returns. He reviewed the proposed language (Attachment 2).

Representative Menghini moved that they adopt the balloon on **HB 2548** and give Gordon Self the leeway to make technical changes per discussion. Representative Siegfried second the motion.

After discussion regarding the process of submitting application or renewal licenses, Representative Menghini withdrew her motion. Representative Siegfried agreed to withdraw his second.

Representative Carlson made a conceptual motion that the Department of Revenue be able to notify **either/or** the applicant and the licensing board by mail or electronically. The balloon, along with the additions previously discussed, would be added and Mr. Self would be given permission to make any technical changes discussed. Representative King seconded the motion.

Lengthy discussion followed regarding the language *either/or* and how the Department of Revenue would handle the process. A request was made for Representative Carlson to restate his motion. Representative Carlson said it was his intent to allow the Department to determine the simplest and most efficient process in which to notify the applicant and the licensing boards.

Representative Carlson closed on his conceptual motion. The motion carried.

Representative Whitham made a motion to move out **HB 2548**, as amended, favorable for passage. Representative Dillmore seconded the motion. The motion carried.

The meeting adjourned at 10:40 a.m. The next meeting is March 22, 2007.

Minutes from the House Taxation Meetings on February 13, 16, 20, March 2, 8, & 20<sup>th</sup> were sent electronically to Committee members on April 3 and by consensus were approved on April 10, 2007. Also noted was that minutes from the February 21 and March 21 and April 25 meetings were sent electronically on April 25, and will be considered approved by 5 p.m. April 26, 2007.



AN ACT concerning property taxation; relating to valuation of vessels; amending K.S.A. 2006 Supp. 79-306e and repealing the existing section.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. K.S.A. 2006 Supp. 79-306e is hereby amended to read as follows: 79-306e. (a) The value for property tax purposes of any vessel, as defined by K.S.A. 32-1102, and amendments thereto, which is acquired or sold after January 1 and prior to September 1 of any taxable year shall be equal to the value determined therefor pursuant to K.S.A. 79-503a, and amendments thereto, multiplied by: (1) In the case of a sale, a fraction the numerator of which is the number of months, or major portion thereof, such vessel was owned by the record owner thereof during the taxable year in which such vessel was sold, and the denominator of which is 12; and (2) in the case of an acquisition, a fraction the numerator of which is the number of months, or major portion thereof, remaining in the taxable year after the date of acquisition by the record owner thereof, and the denominator of which is 12.

(b) *On or after July 1, 2007*, notice of the acquisition or sale of any such vessel shall be provided by the record owner thereof to the appropriate county appraiser ~~within 30 days after~~ such acquisition or sale. Upon receipt of such notice, and after computation of the value of any such vessel in accordance with the provision of subsection (a), a notification or revised notification of value shall be mailed to the taxpayer.

on or before December 20 of the year of

(c) Vessels acquired after September 1 of a taxable year shall not be subject to assessment and taxation for such year, except as provided by paragraph (1) of subsection (a).

(d) The provisions of this section shall apply to all taxable years commencing after December 31, 2002.

Sec. 2. K.S.A. 2006 Supp. 79-306e is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

**Kansas Department of Revenue**  
**Legislative Proposal No. \_\_\_\_**  
**2007 Session**

**Proposed Revision Language:** 74-139.

(a) In addition to any information required to be submitted to a state authority by an applicant for original licensure, certification or registration, or a renewal thereof, the applicant shall be ~~requested~~ required to ~~provide the social security number of such applicant.~~ Upon request of the director of taxation, each such authority shall provide to the director of taxation a listing of all such applicants, along with such applicant's social security number and address.

to provide to the Kansas Department of Revenue information necessary for a verification of taxes paid or filed which shall be called a tax clearance. Such information shall include license number, social security number, current address. Applicants can submit tax clearance requests by telephone, by mail, or by the secure Internet access provided by the Kansas Department of Revenue. The Department of Revenue will issue such notice of tax clearance to the individual applicant within thirty days of the request. The applicant shall submit this verification of tax clearance with the application for original licensure, certification or registration, or a renewal thereof. If the applicant fails to submit the required information necessary for tax clearance to the Department of Revenue, no license or renewal shall be issued by the licensing board.

(c) The provisions of this section shall apply to all such applications for licensure, certification or registration, or renewal thereof, submitted after December 31, 2007.

Deleted: (b)

Deleted: 1988

Formatted: Font color: Red

Questions: call Jeff Scott 8-7169  
Jay Befort 6-8679