

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 24, 2008 in Room 519-S of the Capitol.

All members were present except: Representative McCray-Miller - Excused

Committee staff present:

Chris Courtwright, Legislative Research Department  
Gordon Self, Office of Revisor of Statutes  
Ryan Hoffman, Legislative Research Department  
Scott Wells, Office of Revisor of Statutes  
Rose Marie Glatt, Committee Secretary

Others attending:

See attached list.

It was noted that minutes from the Taxation meetings on: March 6, 7, 10, 11, 13, 14 were sent electronically to the Taxation committee on March 14<sup>st</sup>. By consensus they were considered approved on March 21<sup>st</sup>, 2008.

Representative Crum requested a bill introduction regarding how property tax is pro-rated with the sale of a mobile home. Representative Holland seconded the motion. The motion carried.

Representative Lukert introduced Leona Lukert, his mother and Romano Breeden, her twin sister. He disclosed they were seventy-nine years young.

**SB 487 - Sales tax exemption for fees for guided and non-guided hunting and sale of game birds for hunting.**

Chris Courtwright explained that the Senate had amended the bill, and said **SB 487** would exempt from sales tax any fees or charges for participation in guided and non-guided hunts; fees or charges for sporting clay; and sales of game birds used for hunting. The updated fiscal note is \$500,000.

Discussion followed regarding the rationale of taxing services related to tourism.

Representative Siegfried made a motion to move SB 487 out favorable for passage. Representative Hayzlett seconded the motion.

After lengthy discussion, Representative Siegfried closed his motion to move the bill out. The motion failed 8-10.

Representatives Siegfried; Hayzlett; Carlson; Brown; Worley; and Kinzer requested their yes votes be recorded.

**SB 471 - Electronic filing of tax returns and reports.**

It was noted that a memorandum from Tony A. Scott, Kansas Society of Certified Public Accountants, was distributed that provided information to a committee question from a previous meeting (Attachment 1).

Representative Wilk moved to amend HB 2931, as drafted, into SB 471. Representative Carlson seconded the motion. The Chairman said **HB 2931** was the income tax credit for certain adoption expenses, which they heard March 18, 2008. The Chairman said that the title of the bill will be changed slightly to encompass the subject. Representative Carlson seconded. It was clarified that the intent of the bill is that it is for "special needs and SRS children". After reviewing the language, Chris Courtwright said that is how the bill is written. The motion carried.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 24, 2008 in Room 519-S of the Capitol.

Representative Carlson moved to amend a new paragraph, into **SB 471**, as amended, with the following language, *The requirements of this subsection may be waived by the Secretary of Revenue for a paid return preparer if the paid preparer demonstrates a hardship in complying with this subsection.* Representative Treaster seconded. The motion carried.

Representative Holland made the motion to amend **HB 2362**, as written, into **SB 471**. Representative Goyle seconded the motion. The motion carried.

Representative Carlson made the motion that the Taxation Committee advance **SB 471**, as amended, favorable for passage. Representative Holland seconded the motion. The motion carried.

**SB 444 -Property tax exemption for certain tangible personal property with purchase price less than \$1,500.**

Representative Lukert made a motion to reconsider **SB 444**, Representative Owens seconded the motion.

Chris Courtwright said **SB 444**, as amended, would provide a property tax exemption, effective in tax year 2009, for certain property classified as “all other tangible personal property” which has a purchase price of \$1,500 or less. An additional provision would clarify that taxpayers would not be required to file for the exemption at the State Board of Tax Appeals (SBOTA). In response to a question, Chris Courtwright described the two ways counties can exempt personal property.

After discussion, Representative closed his motion. The motion passed. 14-7.

The Chairman said they return to **SB 444** tomorrow He advised the committee that it was his intent to wrap up their work and hoped to schedule a briefing from the Kansas Health Foundation on *Transfer of Wealth* at a future date.

The meeting was adjourned at 10:25 A.M. The next meeting is March 25, 2008.





# Kansas Society of Certified Public Accountants

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## SUPPLEMENTAL WRITTEN TESTIMONY

Tony A. Scott, JD, CPA  
Executive Director

To: The Honorable Kenny Wilk, Chairperson  
Members, House Committee on Taxation

From: Tony A. Scott

Re: Follow-up Response to Question Relating to SB 471

Date: March 14, 2008

Ladies and Gentlemen of the Committee:

Please accept this Supplemental Written Testimony as my response to a question I received following the Committee's Thursday, March 13, 2008 hearing on SB 471.

As I understand it, the question is:

Despite the absence of penalty provisions embedded in the proposed law itself, would the Kansas Board of Accountancy (the "Board") and/or the Internal Revenue Service (the "IRS") attempt to enforce a(ny) disciplinary-related law, rule and/or regulation against a paid preparer who did not comply with required numbers and/or threshold filing percentages for purposes of e-filing individual Kansas income tax returns?

In response to the hereinabove presented question, representatives of both the Board and the IRS have responded to me informally with the following summarized information:

Neither the Board nor the IRS would attempt to enforce a(ny) disciplinary-related law, rule and/or regulation against a paid preparer who did not comply with required numbers and/or threshold filing percentages for purposes of e-filing individual Kansas income tax returns.

A change in the proposed legislation and/or the presentation of future facts not now known could provide a different response from the Board and/or the IRS. At this time, however, **Board and/or IRS disciplinary action appears highly unlikely for non-compliance with individual income tax return e-file requirements presented in SB 471.**

I appreciate the opportunity to provide this supplemental information and invite additional questions from members of the Committee.

Respectfully submitted,

Tony A. Scott

TAS/mmi

HS Taxation  
3-24-08

Attachment 1