

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 5:00 p.m. on May 5, 2009, in Room 535-N of the Capitol.

All members were present except Representative Hawk.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes  
Scott Wells, Office of the Revisor of Statutes  
Chris Courtwright, Kansas Legislative Research Department  
Kathy Beavers, Committee Assistant  
Marla Morris, Office Assistant

Conferees appearing before the Committee: None.

Others attending:

See attached list.

The chairman called the meeting to order at 5:00 p.m.

Chairman Carlson presented a gift to both Kathy Beavers, Committee Assistant and Marla Morris, Office Assistant. He thanked them for all their work for the committee during this session.

Chairman Carlson stated that this is an informal meeting and. He stated that SB 337 would be discussed at the May 6<sup>th</sup> meeting. The other issue to be discussed is tax credits.

Vice-Chairman King explained that the need for the taxation committee to serve as a solution to the budget by taking a comprehensive look at tax credit policies and statute limitation issues.

Representative King proposed the following:

- A. Community service and film production credits be suspended for two years.
- B. A ten percent across the board tax credit from all tax credits except for the following credits:
  1. Earned income tax
  2. Food sales tax
  3. Child dependent care
  4. Homestead Property Tax Relief
- C. Change all refundable tax credits, except for the earned income tax credit, from refundable to carry forwardable.
- D. Statute of limitations:
  1. Reinststitute the 3 year statute of limitations for claiming income tax refunds.
  2. Reduce the statute of limitations on sales tax refund claims from 3 years to 1 year.

He stated that passage of the three tax credit proposals and the two statute of limitations changes will help close the gap on the budget.

Chris Courtwright, Kansas Legislative Research Department, discussed how the proposed changes would help the budget. He estimated the proposed changes would result in the following savings:

Suspend the Community service credit	-	\$4 million
Suspend the Film Production Credit	-	\$1 million
Refundable Income tax credits to carry forwardable	-	\$10.8 million
10% above the board tax credit	-	\$7.7 million
Reinstitution of statute of limitations	-	\$3 million
Reduction of statute of limitation on sales tax refund claims	-	\$15 million

Mr. Courtwright stood for questions.

Chairman Carlson stated the meeting tomorrow, Wednesday, May 6, 2009 would be held after the first recess

CONTINUATION SHEET

Minutes of the House Taxation Committee at 5:00 p.m. on May 5, 2009, in Room 535-N of the Capitol.

of the house. This will be an informational meeting. Chairman Carlson emphasized to the members that we are not looking for revenue enhancements to flood additional money into the budget. The purpose of the meeting is to look for revenue that will plug gaps in the existing budget in cooperation with and working with the Appropriations Committee.

The meeting was adjourned at 5:25 p.m.

# HOUSE TAXATION COMMITTEE

DATE: May 5, 2009

Mike Taylor	Unified Gov
Mike Murray	Exchange
J P Small	Koch Industries
ERIK SARTORIUS	City of Overland Park
Natalie Bright	WIBA
Dave Hollerick	O.P. Chamber
Christy Caldwell	Topeka Chamber
Martha Sue Smith	KMHA
Leigh Keck	Hein Law firm
Michelle Duthus	Cap. Strategies
Dina Teak	Verizon
Jim Gorengr	DT&T
Cheryl Hayward	KS Society of CPAs
Tom Bruno	Bruno & Associates
Mark Deseetti	KNEA
Jim Clark	KSLPA

# HOUSE TAXATION COMMITTEE

DATE: May 5, 2009

Tom Palace Inca

Nike Bean Ks Livestock Assn

**BRAD HARRELSON** KFB

Steve Goff KDOR

April Holmich

Richard Cron KDOR

David R. Corbin KDOR

Joan Wagon KDOR

Ken Seebor KGFA/KARP

John C. Botterby Botterby Assoc

Melissa Wangemann Kansas Assoc of Counties

Mark Tallman IASTB

Michelle Schroeder Vernon Out Relators

Rustin Moyer KHPA

1 Ian Caches Caches Braden's Assn.

Richard Sampalopo Kenway ASSN.

JEFF GUENDERIG KS CHAMBER

DEBRA SANDS AFP