

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:45 A.M. on February 1, 2006 in Room 519-S of the Capitol.

All members were present except:

Derek Schmidt- excused

Committee staff present:

Chris Courtwright, Kansas Legislative Research

Martha Dorsey, Kansas Legislative Research

Gordon Self, Revisor of Statutes Office

Judy Swanson, Secretary

Conferees appearing before the committee:

Joan Wagon, Secretary, Kansas Department of Revenue

Others attending:

See attached list.

Senator Donovan made a motion to introduce a bill for sales tax exemption for Special Olympics. Senator Jordan seconded the motion, and the motion passed.

Joan Wagon, Secretary of Kansas Department of Revenue, made a presentation of sales tax exemptions in Kansas. (Attachment 1) She reviewed the list of organizations receiving tax exempt status. There are 17,012 nonprofit entities in Kansas that are non-exempt. She cautioned the Committee to be careful in making additional exemptions. She reviewed the 1970 Hodge Commission recommendations, which she thought were beneficial. The 2005 Interim Assessment & Taxation Committee study is included with Secretary Wagon's testimony. There is a study of sales tax base erosion in Kansas being conducted by Professor John D. Wong, Hugo Wall School of Urban and Public Affairs, Wichita State University. His report will outline feasible policy alternatives available to state and local policy makers in Kansas and will not make policy recommendations. (Attachment 2) Committee discussion followed.

SB 423, award of attorney fees to taxpayer in certain appeals by county of orders of board of tax appeals, was discussed. Senator Bruce said he thought the current civil law penalties provide for sanctions to be applied, including reasonable attorney fees. Senator Lee requested Research to find out if the Saline County taxpayer who had issues with the County Appraiser had ever requested his attorney fees be paid by the county. No action was taken on the bill.

SB 358, electronic filing of returns and electronic funds transfer for payments required in certain circumstances, was discussed. Richard Cram provided information on firms using electronic filing by number of employees. (Attachment 3) He also provided information on electronically filed and manually filed sales tax. (Attachment 4) **SB 358** would require 3,660 additional businesses to file electronically. No action was taken on the bill.

Senator Apple moved to approve the Minutes of the January 31 Committee meeting. Senator Jordan seconded the motion, and the motion passed.

Being no further business, the committee adjourned at 11:45 a.m.