

Date

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on February 14, 2006 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Martha Dorsey, Kansas Legislative Research
Judy Swanson, Secretary

Conferees appearing before the committee:

Senator Janis Lee
Dr. David Darling, retired KSU professor
Kimberly Winn, League of Municipalities
Brent Haden, Kansas Livestock Association
David Hetrick, Lewis, Hooper & Dick

Others attending:

See attached list.

Hearing on: **SB 488**, distribution of the local ad valorem tax reduction and county and city revenue sharing funds, was opened. Senator Janis Lee testified counties were in need of the reinstatement of the City and County Revenue Sharing Fund portion of the demand transfers for cities and counties. (Attachment 1) She provided an explanation of how local demand/revenue transfers worked. She gave a summary of the 13-year impact of capping/reducing the state revenue transfers from the state general fund to funds benefitting counties, cities, and other local governments.

Dr. David Darling, retired Kansas State University professor, explained the "pull factor formula". (Attachment 2) Committee discussion was held with Dr. Darling during his testimony.

Kimberly Winn, League of Kansas Municipalities, testified **SB 488** would provide greatly needed revenues to the areas of the state with the greatest need. (Attachment 3)

The fiscal note for **SB 488** was discussed. Senator Lee said there needs to be an amendment to the bill to include all counties, and she would offer the amendment if the bill was worked by the Committee.

Hearing on **SB 488** was closed.

Hearing on **SB 443**, claims for exemption from property tax for farm storage and drying equipment and hay storage structures, was opened.

Brent Haden, Kansas Livestock Association, testified this bill would make it unnecessary to require an initial appeal to the Board of Tax Appeals. (Attachment 4) Being no further conferees or discussion, the hearing was closed.

Hearing was opened on **SB 444**, net operating loss carry back or carry forward for income tax purposes.

David Hetrick, CPA, Lewis, Hooper & Dick, testified in favor of **SB 444**. (Attachment 5) He said a farmer can only carry back or carry forward an operating loss of \$1500 per year. Discussion was held on the bill. Richard Cram, KDOR, said there are only approximately 60 farmers in the state who would be affected by this bill. If the refund were raised to \$3000, it would have an additional \$90,000 fiscal impact.

Written testimony in support of **SB 444** was received from Allie Devine, Kansas Livestock Association. (Attachment 6)

The hearing on **SB 444** was closed.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:40 A.M. on February 14, 2006 in Room 519-S of the Capitol.

SB 465, increasing income tax credit for adoption of certain Kansas children, was discussed. Richard Cram, KDOR, said if the carry forward provision was deleted, it would have an approximate \$100,000 fiscal impact. Chairman Allen reported on SRS's definition of the term "minority" as it applies to this bill.

Senator Donovan moved to approve the Minutes of the February 9 Committee meeting. Senator Jordan seconded the motion, and the motion passed.

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