

Approved: March 21, 2012
(Date)

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:37 pm Thursday, February 9, 2012, in Room 783 of Docking State Office Building.

Members excused were:

Representative Calloway
Representative Goico

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Chuck Reimer, Office of the Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Chris Sevedge, Kansas Legislative Research Department
Allen Jeffus, Office Assistant
Phyllis Fast, Committee Assistant

Conferees appearing before the Committee:

Dale Goter, Wichita City Government
Luke Bell, Kansas Association of Realtors
Mark Tallman, Kansas Association of School Boards
Mark Desetti, Kansas National Education Association
April Holman, Kansas Action for Children
Bernie Koch, Kansas Economic Progress Council
Ken Peterson, Kansas Petroleum Council
David Wilson, AARP
Sister Therese Bangert, Sisters of Charity, Leavenworth
Brenda Spencer, Friends of Historic Preservation
Joel Wiggins, Mid-America Angels, ECIC, and KansasBio
Ross Freeman, Pioneer Group, Inc.
Shannon Jones, Kansas Association of Living Centers for Independent Living

Others attending: See attached list.

Introduction of Bills:

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

Minutes of the HOUSE TAXATION Committee at 3:37 PM on Thursday, February 9, 2012 in 783-DSOB.

Representative Schwab made a motion for a bill concerning employers, employees, health insurance and tax credits. Representative Kleeb seconded the motion. Motion carried.

Prior to the hearing on **HB 2560**, Chairman Carlson requested the Conferees hold their testimonies to a maximum of five minutes and requested the Committee hold their questions for the next meeting of the Committee unless time permits at the end of today's testimony.

Chairman Carlson opened a hearing on:

HB 2560 - Reduction of income tax rates for individuals and determination of income, income tax credits, sales tax rate of 6.3%, severance tax exemptions, homestead property tax refunds and food sales tax refunds.

Dale Goter testified as neutral for **HB 2560**, requesting that historic tax credits be retained. (Attachment 1) He stood for questions.

Luke Bell testified in opposition to **HB 2560** because it shifts the burden to a different group of people by decoupling from the federal tax code by eliminating itemized tax deductions in Kansas. (Attachment 2) He stood for questions.

Mark Tallman testified in opposition to **HB 2560** because it reduces funding for education to the same level as the past 35 years. (Attachment 3) He stood for questions.

Mark Desetti testified in opposition to **HB 2560** because the Kansas tax system has been fair to all tax payers for a long period of time. (Attachment 4) He stood for questions.

April Holman testified in opposition to **HB 2560** because of the elimination for working Kansas families of all income levels. (Attachment 5) She stood for questions.

Bernie Koch testified in opposition to **HB 2560** because elimination of income taxes requires an increase in other taxes. (Attachment 6) He stood for questions.

Ken Peterson testified in opposition to **HB 2560** because the severance tax will be repealed, a tax that allows Kansas' oil and gas industry to compete with other states. (Attachment 7) He stood for questions.

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David Wilson testified in opposition to **HB 2560** because poor and middle income families would share more of the tax burden than they do today. (Attachment 8) He stood for questions.

Sister Therese Bangert testified in opposition to **HB 2560** by pointing out that the elimination of the earned income credit, tax credits for adoption, the child and dependent care credit, and the child day care assistance credit would negatively impact children and families. (Attachment 9) She stood for questions.

Brenda Spencer testified in opposition to **HB 2560** because it eliminates the historic tax credit program, an engine of job creation and catalyst to attract capital to the state. (Attachment 10) She stood for questions.

Joel Wiggins testified in opposition to **HB 2560** because it eliminates the Angel Investor Credit, a critical program for the bioscience industry, an industry which is creating new jobs in Kansas. (Attachment 11) He stood for questions.

Ross Freeman testified in opposition to **HB 2560** which eliminates the State's Historic Tax Credits that are vital to developing housing and commercial projects. (Attachment 12) He stood for questions.

Shannon Jones testified in opposition to **HB 2560** because it eliminates Homestead Refund Program, Food Sales Tax Refund and Earned Income Tax Credits, each affecting over 130,000 low-income tax filers. (Attachment 13) She stood for questions.

Written only testimony in opposition to **HB 2560** was presented by Julie Ford, Topeka School Systems (Attachment 14); David R. Wilson, Sterling Services (Attachment 15); Dr. Gina Pinamonti, Colonial Fox Theatre Foundation (Attachment 16); Gary Hassenflu, Garrison Companies (Attachment 17); Trudy Aron, Kansas American Institute of Architects (Attachment 18); and Bruce Linhos, Children's Alliance (Attachment 19).

Chairman Carlson closed the hearing on **HB 2560**.

The next meeting of the Committee is scheduled for 3:30 pm, Monday, February 13, 2012, DSOB 783 to discuss **HB 2560**.

The meeting was adjourned at 4:30 pm.

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