

Approved: March 28, 2011
Date

MINUTES OF THE SENATE ASSESSMENT & TAXATION COMMITTEE

The meeting was called to order by Vice Chairman Pat Apple at 10:30 a.m. on March 16, 2011, in Room 152-S of the Capitol.

All members were present except:

Chairman Les Donovan – excused

Committee staff present:

Gordon Self, Office of the Revisor of Statutes

Scott Wells, Office of the Revisor of Statutes

Chris Courtwright, Principal Economist, Kansas Legislative Research Department

Mary Jane Brueck, Committee Assistant

Conferees appearing before the Committee:

Bernie Koch, Kansas Economic Progress Council

Others attending:

The meeting was opened by Vice-Chairman Pat Apple. He asked if there was any objection to re-opening the hearing on **Substitute for SB 95 – concerning taxation; relating to income tax rates, adjustment, procedure and requirements; sales and compensating use tax rates and distribution.** Vice-Chairman Apple explained Bernie Koch did not realize this bill was being heard yesterday, because the wrong short title was printed in the Senate Calendar. There was no objection to re-opening that hearing. Vice-Chairman Apple introduced Bernie Koch, Kansas Economic Progress Council. The organization he represents businesses, trade associations, and chambers of commerce. He said he was reluctantly appearing in opposition to this bill. The people he represents are concerned that narrowing our revenue base makes the state more vulnerable to fluctuations that can be especially harmful during economic hard times. Many of the states that no longer have income taxes have other sources of income: severance taxes on the state's natural resources, sales tax on tourism and other resources we don't have in Kansas. (Attachment 1) Seeing no one else who wished to speak to this bill, Vice-Chairman Apple closed this hearing.

Chris Courtwright, Principal Economist, Kansas Legislative Research Department spoke to the committee in regard to questions yesterday from Sen. Jeff King and Sen Tom Holland questions from yesterday's meeting. He distributed information to the committee members. Option 1 concerned the question of changing the “base year” from FY 2010 to FY 2011, and making the tax year 2013 instead of FY 2012. Option 2 was in regard to leaving FY 2010 as the “base year”, but making the tax year 2013 the first eligible for income tax reductions. (Attachment 2) He gave additional information to committee members with questions, to help them understand this bill. Seeing no further questions, Vice-Chairman Apple closed today's meeting.

The next meeting will be on the call of Vice-Chairman Apple, if needed.

The meeting was adjourned at 11:12 a.m.