

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman John Edmonds at 9:00 a.m. on February 5, 2004 in Room 519-S of the Capitol.

All members were present except:

Representative Tom Sawyer- excused  
Representative Vaughn Flora- excused

Committee staff present:

Chris Courtwright, Legislative Research Department  
Martha Dorsey, Legislative Research Department  
Gordon Self, Revisors of Statutes  
Carol Doel, Committee Secretary

Conferees appearing before the committee:

Representative David Huff  
Julie Smith, Safe Home  
Sandy Barnett, Kansas Coalition Against Domestic Violence  
David Owen  
Tracey Shafer, Chairperson of Miniature Fantasies  
Richard Cram, Department of Revenue

Others attending:

See Attached List.

Chairman Edmonds opened the meeting for bill introductions recognizing April Holman of Kansas Action for Children which seeks to improve the economic security of Kansas children and their families through the policy and advocacy efforts of Fiscal Focus. They advocate for:

- A tax expenditure report be published by the state each year.
- A tax incidence report demonstrating the impact of tax policy on tax payers of various income levels be published by the state periodically
- Pertinent tax information be made public for companies availing themselves of certain economic development and tax incentives

With no objection, The Chairman accepted those three bills for introduction.

With no further bill introductions, Chairman Edmonds opened the meeting for hearings on **HB 2561**. There were no proponents and no opponents for this bill.

Richard Cram from the Department of Revenue came before the committee at the request of Secretary of Revenue, Joan Wagon with comments regarding sales tax exemptions for non-profit organizations in general. He explained that they don't have a position one way or the other on any particular bill that requested exemptions for a particular organization, but the secretary wished for him to remind the committee that the best tax policy is to have as broad as possible tax base so that the pressure on raising the rate was lessened. She also wished it mentioned that back in 1970 a committee looked at sales tax exemptions for non-profit organizations and determined that the best policy in general was that non-profits should not have special exemptions. The Legislature has deviated from that policy. (No Testimony)

Hearing on **HB 2561** was closed.

Chairman Edmonds opened the hearing on **HB 2550** recognizing Representative David Huff in support of the bill. In his testimony, Representative Huff, pointed out that there are approximately 28 shelter areas for abused women and children in the State of Kansas and he was surprised when he found that these shelters, which have provided a place to escape an abusive lifestyle, have to pay taxes on necessities.

(Attachment 1)