

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 2:00 p.m. on April 25, 2007 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department  
Martha Dorsey, Legislative Research Department  
Gordon Self, Office of Revisor of Statutes  
Richard Cram, Department of Revenue  
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

None

**Substitute for SB 215 - Homestead Property Tax Refund Act**

The Chairman advised the Committee that although the Governor had signed the franchise tax bill, Secretary Wagon had raised a question regarding the possible misinterpretation of language in the bill that may lead to some confusion regarding the effective date. In order to clarify any misunderstanding, they have the **bill draft 7rs1459** that provides added language that will assure the franchise tax is enacted starting in tax year 2007. The vehicle they would use is **SB 215** (Senate Homestead bill), the contents of which had been addressed in another house bill. They will remove the contents of **SB 215** and insert the balloon that Gordon Self would explain.

Mr. Self distributed the **balloon 7rs1459** (Attachment 1) and explained that this provides the technical clean-up language they are proposing for the franchise tax legislation they passed in **HB 2264**, earlier in the session. There are two aspects to the balloon. Phase one increased the threshold from a \$100,000 to \$1 million and the second aspect was a four year phase out of the rates. This language makes it clear that FY06 the threshold is \$100,000 and FY 2007, 2008, 2009, and 2010 it is a \$1million until it is phased out.

Representative Carlson moved that the entire contents be removed from **Sub for SB 215** and the contents of **7rs1459**, be inserted as a **Sub. for Sub. for SB 215**. Representative Holland seconded the motion. The motion carried.

Representative Holland moved that the Committee pass out **House Sub 7rs1459 for Sub. for SB 215**, favorable for passage. Representative Menghini seconded. The motion carried.

The Chairman said that the Consensus Estimating Group met last week, and the full report is available. He recommended that the Committee members review this important report. Chris Courtwright agreed to provide copies of the report electronically or have hard copies to the floor, if they desired (Attachment 2).

The meeting was adjourned at 2:10 p.m. There are no other meetings scheduled.