

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson John Edmonds at 9:00 a.m. on March 19, 2003 in Room 519-S of the Capitol.

All members were present except:

Representative Vaughn Flora

Committee staff present:

Chris Courtwright, Legislative Research Dept.  
Gordon Self, Office of the Revisor of Statutes  
Carol Doel, Committee Secretary

Conferees appearing before the committee:

Chris Courtwright, Legislative Research Dept.  
Joan Wagon, Acting Secretary of Revenue

Others attending:

See attached sheet

Chairman Edmonds opened the meeting for any bill introductions. Hearing none, he opened the floor for public hearing on **HB 2416** - *Amnesty from assessment or payment of penalties and interest on certain unpaid taxes*.

The Chairman asked Chris Courtwright from the Legislative Research Department to give an overview on **HB 2416**.

Acting Secretary of Revenue, Joan Wagon, addressed the committee in favor of **HB 2416**. The Department of Revenue is implementing a two phased tax amnesty program, with Phase 1 having started in early February. Phase 1, which does not require authorizing legislation, involves an aggressive campaign to pursue settlement negotiations on pending assessments, with the goal of resolving those that should be settled prior to the end of this fiscal year. **HB 2416** will provide the Department legislative authority to implement Phase 2, which will involve a tax amnesty program to be conducted this coming fall, and will offer waiver of penalties and interest to taxpayers with accounts in collection or who are non-filers or under-reports upon payment in full of the underlying taxes, if payment is received between October 1, 2003 and November 30, 2003.

(Attachment 1)

With no other person wishing to address the bill, Chairman Edmonds closed the meeting for public hearing on **HB 2416** and opened the meeting for hearing on **HB 2411**.

Secretary Wagon stood for question. Chairman Edmonds asked if by this time next year, the department would be able to report on how much was collected. Secretary Wagon assured him this would be possible. A tracking system will be put together so they will know the amount of each payment. It will also be able to tell them what was payed in terms of penalties and interest.

In response to Representative Schwab's question regarding the greatest area of outstanding burden, Secretary Wagon stated that she had the report on her desk and it would be sent over for the committee to review.

CONTINUATION SHEET

MINUTES OF THE HOUSE TAXATION COMMITTEE at 9:00 a.m. on 2003 in Room 519-S of the Capitol.

With no other person wishing to address the bill, Chairman Edmonds closed the meeting for public hearing on **HB 2416** and opened the meeting for hearing on **HB 2411** - *State contractors must agree to collect and remit sales tax.*

From the Department of Revenue, Acting Secretary Wagnon testified in support of **HB 2411**. This bill will require bidders on state contracts for supplies, materials and equipment to agree to register and collect sales or use tax on their sales to Kansas customers, if they want to do business with the State of Kansas. This bill should prevent out-of-state retailers claiming no nexus with Kansas from participating in bidding on state contracts unless those retailers are willing to register with the Department and collect sales and use tax on their sales to customers located in Kansas, if they win the contract. (Attachment 2)

Also appearing as a proponent for **HB 2411**, was Marlee Carpenter, KCCI (Kansas Chamber of Commerce and Industry). As stated in her testimony, this bill requires any vendor that does business with the state of Kansas be a registered retailer for sales tax collection purposes. This would bring in additional revenue for the state, revenue that is due, but is being uncollected at the current time. (Attachment 3)

With no other conferee wishing to address the bill, Chairman Edmonds closed the hearing on **HB 2411**.

There being no further business before the committee, meeting was adjourned at 10:30 a.m.