

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson John Edmonds at 9:00 a.m. on March 25, 2003 in Room 519-S of the Capitol.

All members were present except:

Representative John Faber

Committee staff present:

Chris Courtwright, Legislative Research Department  
April Holman, Legislative Research Department  
Gordon Self, Office of the Revisor of Statutes  
Carol Doel, Committee Secretary

Conferees appearing before the committee:

Senator Corbin  
Richard Cram, Department of Revenue  
Joe Crosby, Committee on State Taxation,  
Washington, D.C.  
Lew Eber, Kansas Chamber of Commerce  
Larry Baer, Kansas League of Municipalities  
Robert Watson, City of Overland Park

Others attending:

See attached sheet.

On opening Chairman Edmonds called to the attention of the committee, written testimony from Leslie Kaufman, Kansas Farm Bureau, which was submitted on **HB 2421** which had been heard previously.

The Chairman asked for any bill introductions. Hearing none, he opened the meeting for public hearings on **SB 192** - *Enacting the streamlined sales and use tax agreement conformity act*.

First to appear as a proponent of **SB 192** was Richard Cram of the Department of Revenue. He submitted testimony on behalf of Acting Secretary of Revenue, Joan Wagnon. She feels that the States cannot count on Congress taking action in the area of Streamlined Sales and Use Tax soon, and instead we must focus on persuading multi-state retailers to sign on with the Agreement and voluntarily collect the use tax.

(Attachment 1) Mr. Cram then presented his testimony stating that the bill contains the changes needed to Kansas sales tax law, in order to meet the uniformity and simplification requirements set forth in the Streamlined Sales and Use Tax Agreement adopted by the Implementing States (including Kansas) on November 12, 2002. The agreement will become effective and operational once 10 states with at least 20% of the population in all states imposing sales tax join the Agreement. His testimony also listed the Provisions of **SB 192**. (Attachment 2)

Legislative Director, Council on State Taxation (COST), Joseph R. Crosby presented testimony in support of **SB 192**. This bill not only greatly simplifies Kansas' current sales tax system, but it would also make it more uniform with other states considering similar legislation. This simplified sales tax system will help Kansas as well by simplifying the administration of the tax and increasing compliance with the tax on the part of businesses that are already subject to the system. Perhaps more importantly, and as has been demonstrated

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recently, many sellers not currently collecting the sales tax in Kansas will be induced to do so under a simplified sales tax collection system. (Attachment 3)

Representing the KCCI ( Kansas Chamber of Commerce and Industry), Lewis Ebert, President and C.E.O., submitted testimony in favor of **SB 192**. It is their feeling the current system for collecting and remitting sales tax is very burdensome and complex, and retailers, and retailer. Simplification is needed in this area. Companies large and small will benefit from the changes being proposed in **SB 192**. (Attachment 4)

Next to appear in support of **SB 192** was Larry Baer, Kansas League of Municipalities. The League supports the bill because it provides a mechanism for the capture of lost state revenue and includes a local use tax component that will permit local governments to capture lost local revenues. (Attachment 5) The League also submitted an amendment which they would like approved. (Attachment 6)

Robert Watson, City Attorney for Overland Park testified before the committee in support of **SB 192**. The City of Overland Park expressed support for Sections 29 through 46 in the form being proposed to the committee in the balloon amendment. These sections pertain to transportation development districts. (Attachment 7)

Kathy Peters, a bond attorney for the City of Overland Park stood before the committee with a brief statement in support of the **SB 192**. (No testimony)

Senator Corbin did not testify on **SB 192**, however, he voiced his support and stood for questions.

Written testimony in support of **SB 192** was submitted by Mike Taylor, Government Relations Director for the City of Wichita (Attachment 8), Randall Allen, Executive Director Kansas Association of Counties, (Attachment 9), and Danielle Noe, Intergovernmental Relations Coordinator Johnson County (Attachment 10).

With no further conferees on **SB 192**, Chairman Edmonds closed the hearing.

The Chairman opened the floor for discussion on **HB 2416**. Representative Larkin made a motion that **HB 2416** be placed on the consent calender. Representative Sharp seconded the motion. Vote was taken motion passed.

With no further business before the committee, meeting adjourned at 10:30 p.m.