

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on February 7, 2008 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Gordon Self, Office of Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Scott Wells, Office of Revisor of Statutes
Ryan Hoffman, Kansas Legislative Research Department
Judy Swanson, Committee Assistant

Conferees appearing before the committee:

Tony Folsom, Kansas Department of Revenue

Others attending:

See attached list.

Senator Marci Francisco requested introduction of a bill to decouple the State of Kansas from the Federal bonus tax schedule for tax year 2008. Senator Bruce moved to introduce the requested bill. Senator Schmidt seconded the motion, and the motion passed.

Discussion was held on **SB 510—property tax exemption on certain farm machinery and equipment.**

Senator Donovan moved to amend SB 510 with the Kansas Livestock Association's (KLA) suggested amendment. (Attachment 1) Senator Lee seconded the motion, and the motion passed.

Senator Donovan moved SB 510 as amended favorable for passage. Senator Lee seconded the motion, and the motion passed.

Due to the provisions in the following bills being passed in other bills during the 2007 Session, Senator Pine moved SB 26, SB 27, SB 28, SB 29, SB 98, SB 199, SB 200, SB 227, SB 241, SB 256, SB 261, SB 278, SB 290, SB 312, SB 314, SB 331, SB 370 and SB 386 be not passed. Senator Donovan seconded the motion, and the motion passed.

Chairman Allen announced Legislative Post Audit will release a report on February 20 that will be relevant to **SB 436—Districtwide retailers' sales tax authority for community colleges.** Action will not be taken on **SB 436** until the Committee has the opportunity to review the Post Audit report.

Tony Folsom, Kansas Department of Revenue (KDOR), presented a report on the M&E Slider Reimbursement. (Attachment 2) The 2006 Legislature exempted from property tax all commercial and industrial machinery and equipment and telecommunications and railroad machinery and equipment purchased, leased or transported into the state after June 30, 2006. Also created were the business machinery and equipment tax reduction assistance fund and the telecommunications and railroad machinery and equipment tax reduction assistance fund to be administered by the state treasurer. Mr. Folsom presented a full report of all amounts reimbursed to date. The projected reimbursement for tax year 2007 was \$28.300 million and the actual reimbursement was \$25.860 million.

After discussion concerning how telecoms are assessed and allocated, Mr. Folsom offered to have a State Appraiser appear before the Committee to clarify how this is accomplished.

Being no further business, the meeting adjourned at 10:58 a.m. The next meeting will be a Joint Committee meeting with the Senate Commerce Committee on February 8 at 9:30 a.m.