

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairperson Marvin KleeB at 8:32am on Tuesday, May 19, 2015, 112-N of the Capitol.

All members were present except:

Representative Brandon Whipple – Excused

Committee staff present:

Reed Holwegner, Legislative Research Department

Phyllis Fast, Kansas Legislative Committee Assistant

Chris Courtwright, Legislative Research Department

Chuck Reimer, Office of Revisor of Statutes

Scott Wells, Office of Revisor of Statutes

Ed Penner, Kansas Legislative Research

Conferees appearing before the Committee:

Luke Bell, Kansas Association of Realtors

Eric Stafford, Kansas Chamber of Commerce

Dave Trabert, Kansas Policy Institute

Others in attendance:

[See Attached List](#)

Representative Tom Burroughs substituted for Rep. Whipple.

Hearing on: HB2434 — Limiting the subtraction modification on business income for tax year 2015 and thereafter; repealing certain addition modifications; treatment of passive income.

Chairman KleeB opened a hearing **HB2434**.

Scott Wells briefed the Committee on **HB2434**. He stood for questions.

No testimony in support of or neutral to **HB2434** was presented.

Luke Bell presented testimony in opposition to **HB2434** "which would increase the income tax burden on Kansas small business owners and property owners by excluding rent and other 'passive' types of income from the pass-through exemption". He stood for questions. ([Attachment 1](#))

Eric Stafford presented testimony in opposition to **HB2434** because the Kansas Chamber of Board of Directors opposes "any attempts to roll back the tax cuts of 2012 & 2013". He stood for questions. ([Attachment 2](#))

Dave Trabert presented testimony in opposition to **HB2434**, "which would unnecessarily increase income taxes on many employers". He stood for questions. ([Attachment 3](#))

Written only testimony in opposition to **HB2434** was presented by Dan Murray, National Federation of

CONTINUATION SHEET

MINUTES of the Committee on Taxation at 8:32am on Tuesday, May 19, 2015, 112-N of the Capitol.

Independent Business ([Attachment 4](#)); Rodger Woods, Americans for Prosperity ([Attachment 5](#)); and Leslie Kaufman, Kansas Cooperative Council ([Attachment 6](#)).

When all questions from the Committee were answered, Chairman Kleeb closed the hearing on **HB2434**.

Chairman Kleeb recessed the Committee until 11:30am.

Chairman Kleeb reconvened the Committee at 12:14pm.

Vice Chair Suellentrop distributed a proposal with nine (9) items for review.

After a brief discussion, Chairman Kleeb recessed the Committee until 1:45 pm.

Chairman Kleeb reconvened the Committee at 1:52pm.

A discussion was held concerning Vice Chair Suellentrop's proposal. ([Attachment 7](#))

*Vice Chair Suellentrop made a motion to remove the contents of **SB31** and insert the contents of his proposal as distributed. Representative Highland seconded the motion.*

*Representative Kelley made a motion to amend **H sub SB31** by removing item #2. Representative Brunk seconded the motion. After a brief discussion, Representative Kelley closed on her motion. Motion failed.*

*Representative Rhoades made a motion to amend **H sub SB31** by removing item #3. Representative Kelley seconded the motion. After a brief discussion, Representative Rhoades closed on his motion. Motion passed.*

Ranking Minority Member Sawyer requested from staff, revised fiscal information affecting **H sub SB31** by the amendment to **H sub SB31**.

In order for staff to prepare the fiscal information requested by Ranking Minority Member Sawyer, Chairman Kleeb recessed the Committee until 2:45 pm.

Chairman Kleeb reconvened the Committee at 2:50 pm.

Chris Courtwright distributed and explained the fiscal note he had prepared at Ranking Minority Member Sawyer's request. ([Attachment 8](#))

Representative Rhoades offered a discussion concerning the taxation of public building projects.

CONTINUATION SHEET

MINUTES of the Committee on Taxation at 8:32am on Tuesday, May 19, 2015, 112-N of the Capitol.

Chairman Kleeb indicated a bill concerning the same subject would be read on the House floor at the upcoming 5:00 pm session. No further action was taken on **H Sub SB31**.

Chairman Kleeb announced the Committee would meet at 10:00 am on Wednesday, May 20, 2015 in room 112-N, to hear the bill mentioned above.

The meeting was adjourned at 3:56 pm.