

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairperson Gene Suellentrop at 3:31pm on Wednesday, February 17, 2016, 582-N of the Capitol.

All members were present except:

Representative John Edmonds – Excused

Committee staff present:

Scott Wells, Office of Revisor of Statutes
Reed Holwegner, Legislative Research Department
Phyllis Fast, Kansas Legislative Committee Assistant
Chris Courtwright, Legislative Research Department
Mark Dapp, Legislative Research Department
Justin Stowe, Legislative Post Audit

Conferees appearing before the Committee:

Senator Ralph Ostmeyer, District 40
Representative Don Hineman, District 118
Carol Kinderknecht, Gove County Healthcare Endowment Foundation
Brad Lovelady, Gove County Hospital
Representative Ron Highland, DVM, District 51
Jeff Koenig, Manhattan business owner

Others in attendance:

[See Attached List](#)

Chairman Kleeb thanked Richard Cram for his many years of service to the Committee. Richard is leaving the Kansas Department of Revenue for a position in Washington D.C. He received a thank you card signed by Committee members and a standing ovation from the members and the audience.

Chairman Kleeb opened a hearing on **HB2604**.

Hearing on: HB2604 — Sales tax exemption for Gove county healthcare endowment foundation, inc.

Scott Wells briefed the Committee on **HB2604** by describing the tax exemption for construction of an airport in Gove County. He stood for questions.

Senator Ostmeyer presented testimony in support of **HB2604** by describing the need for the airport. [\(Attachment 1\)](#) He stood for questions.

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MINUTES of the Committee on Taxation at 3:31pm on Wednesday, February 17, 2016 in Room 582-N of the Capitol.

Representative Hineman presented testimony in support of **HB2604** by explaining that KDOT has provided Gove County with a grant for construction of an airport. ([Attachment 2](#)) He stood for questions.

Carol Kinderknecht presented testimony in support of **HB2604** by reviewing the history of the project. ([Attachment 3](#)) She and Brad Lovelady stood for questions.

No testimony neutral to or in opposition of **HB2604** was presented to the Committee.

When all questions from the Committee were answered, Chairman Kleeb closed the hearing on **HB2604**.

Chairman Kleeb opened a hearing on **HB2603**.

Hearing on: HB2603 — Line for remittance of compensation use tax on tax returns, information in tax form instructions.

Scott Wells briefed the Committee on **HB2603** by describing the intricacies of the bill. He stood for questions.

Representative Highland presented testimony in support of **HB2603** by discussing the dilemma of Kansas not receiving sales tax for internet sales by Kansans. ([Attachment 4](#)) He stood for questions.

Jeff Koenig presented testimony in support of **HB2603** by providing information from other states. ([Attachment 5](#)) He stood for questions.

No testimony neutral to or in opposition of **HB2603** was presented to the Committee.

When all questions from the Committee were answered, Chairman Kleeb closed the hearing on **HB2603**.

Informational briefing:

J.W. Rush introduced two individuals who presented a post audit report to the Committee concerning the Kansas Department of Revenue. ([Attachment 6](#))

Andre Fogarasi briefed the Committee on collections and officer vacancies within the Department. He stood for questions.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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Nancy Zielke briefed the Committee on audits and auditor vacancies within the Department. She stood for questions.

Without objection, Chairman Kleeb sought discussion and action on **HB2582**.

Scott Wells briefed the Committee on the contents of **HB2582**.

Vice Chair Suellentrop made a motion to pass out **HB2582** favorable. Representative Rhoades seconded the motion. After a brief discussion, Vice Chair Suellentrop closed on his motion. Motion passed.

After Chairman Kleeb noted that there would be no Committee meeting until March 2, 2016, the meeting was adjourned at 4:50pm.