

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson John Edmonds at 9:00 a.m. on January 16, 2003 in Room 519-S of the Capitol.

All members were present except: Rep. Ted Powers

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

Conferees appearing before the committee: Joan Wagon, Acting Secretary of Revenue
Rick Clellan, Department of Revenue
Richard Cram, Department of Revenue
Alan Conroy, Legislative Research Department
Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department

Others attending: See Attached List

Chairperson Edmonds opened with the introduction of Richard Cram of the Department of Revenue who in turn introduced Joan Wagon, Acting Secretary of Revenue. Ms. Wagon presented testimony to the committee regarding information about sales tax, use tax, and taxation of remote sales (Attachment 1) as well as a summary of Kansas Legislative changes required by a streamlined sales tax agreement. (Attachment 2) Booklets have been ordered which describe the streamlined tax project.

The Department of Revenue also requested the conceptual introduction of a streamlined tax bill. This was accepted by the committee.

Another conceptual bill introduction which was requested from the committee by Secretary Wagon on behalf of the Department of Internal Revenue was one on the Board of Tax Appeals that would incorporate the governor's recommendation to reduce the Board of Tax Appeals from 5 to 3.

Without objection from the committee, Chairperson Edmonds accepted the conceptual introduction of the bill regarding the membership of BOTA (Board of Tax Appeals) .

Following her presentation Secretary Wagon along with two representatives from the Department of Revenue, Rick Clellan, the point person on streamlined sales tax, and Richard Cram, stood for questions from the committee.

Chairperson John Edmonds requested the introduction of three bills into the Taxation Committee which are

CONTINUATION SHEET

MINUTES OF THE HOUSE TAXATION COMMITTEE at 9:00 a.m. on January 16, 2003 in Room 519-S of the Capitol.

as follow:

1. Removal of premium tax on health insurance policies
2. Reverse the treatment for Class C inheritance tax enacted last year in SB 39
3. Enact conformity with the Federal and State inheritance taxes

There was no opposition to the introduction of these three bills.

Alan Conroy, Chief Fiscal Analyst, appeared before the committee with a summary overview of the Kansas Budget. This review included changes from the end of the 2002 session of the Legislature as well as selected key budgetary decisions for the 2003 Legislature. (Attachment 3)

Also presented by Alan Conroy, was the State General Fund (SGF) Receipts from July through December 2002. This report deals essentially with the difference between the estimated and actual receipts in November and December. (Attachment 4)

Following Mr. Conroy's presentation, he stood for questions from the committee.

Representative Huff absorbing the duties of Chairperson in the temporary absence of Representative Edmonds inquired regarding any further bill introductions at this time.

Reports of the Special Committee on Assessment and Taxation to the 2003 Kansas Legislature were presented by Chris Courtwright and April Holman from the Legislative Research Department.

Mr. Courtwright reported on the Family Development Program, Legal Issues Regarding Expansion of Tax Credits to Railroads and Other State Assessed Property, Sunsetting Sales Tax Exemptions and Motor Vehicle Tax. Ms. Holman reported on Property Tax Exemptions for Certain Not-for-Profit Independent Living Centers (SB 479) as well as Sales Tax Parity on the Sale of Firearms, Weapons, and Ammunition. (Attachment 5)

Both Mr. Courtwright and Ms. Holman stood for questions from the committee.

With no further business to come before the committee, Vice-Chairperson Huff adjourned the meeting at 10:30 a.m.