

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman John Edmonds at 9:00 a.m. on March 3, 2004 in Room 519-S of the Capitol.

All members were present except:

Representative Jeff Goering- excused  
Representative Jeff Jack- excused  
Representative Nancy Kirk- excused  
Representative Tom Sawyer- excused

Committee staff present:

Chris Courtwright, Legislative Research Department  
Martha Dorsey, Legislative Research Department  
Gordon Self, Revisors of Statutes  
Carol Doel, Committee Secretary

Conferees appearing before the committee:

Richard Cram, Department of Revenue  
Larry Newman, Department  
Edie Martin, Department of Revenue  
Phil Wilkes, Department of Revenue  
Edward Cross, Independent Oil & Gas  
Marvin Spees, Capitol City Oil

Others attending:

See Attached List

Chairman Edmonds opened the meeting for bill introductions and requested the introduction of a bill dealing with certain prohibitive action regarding gasoline sales as well as a reduction of \$.01 in gasoline tax.

Hearing no objections, the Chairman's request will be accepted for introduction.

The Chairman opened the meeting for public hearing on **HB 2679** and the companion bill **SB 413** recognizing Richard Cram who was present to voice the opinion of the Department of Revenue. This bill would require entity-based sales tax exemptions to apply for an identification number from the Department of Revenue to be shown on any exemption certificate given to a retailer when the exempt organization claims a sales tax exemption on its purchases. This would give the Department a degree of quality control over the types of entities claiming sales tax exemptions and would allow them to more easily match documented exemption claims with the purchaser when the retailer is audited. (Attachment 1)

With no one else wishing to testify as a proponent or an opponent, the floor was closed for public hearing on **HB 2679** and companion bill **SB 413**.

The committees' attention was turned to **HB 2609** with Richard Cram again testifying as an opponent for the Department of Revenue. This bill is the Department's proposal to increase from one to two years the mineral tax minimum production exemption renewal period on oil wells and oil production leases. (Attachment 2)

At the request of Richard Cram, Larry Newman, also of the Department of Revenue addressed the committee to help with explanation of questions asked by the committee regarding mineral severance tax exemption.

Next to testify before the committee as a proponent of **HB 2609** was Edward Cross, Executive Vice-President of KIOGA (Kansas Independent Oil & Gas Association). Mr. Cross stated that their organization was comprised of mostly small business entities and allowing qualified taxpayers applying for an exemption from the excise tax imposed on the severance and production of oil and gas biennially would meet approval. They did submit a request for several amendments to the bill. (Attachment 3)

Having heard all proponents and with there being no opponents, the Chairman closed the public hearing on