

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson Wagle at 9:00 a.m. on March 15, 2000, in Room 519-S of the Capitol.

All members were present except: Representative Gatewood - excused  
Representative Howell - excused

Committee staff present: Chris Courtwright, Legislative Research Department  
April Holman, Legislative Research Department  
Don Hayward, Revisor of Statutes  
Shirley Sicilian, Department of Revenue  
Ann Deitcher, Committee Secretary  
Edith Beaty, Taxation Secretary

Conferees appearing before the committee:

**SB 378 - Refund of sales tax paid on food; income limitations.**

Chris Courtwright of the Research Department briefed the Committee on the amendment to **SB 378**. He explained that it would amend the food sales tax refund program to require that two kinds of tax-exempt income, public sector pension income and interest on governmental debt, be added to the Kansas Adjusted Gross Income (KAGI) for purposes of determining eligibility.

The bill would also clarify that eligible taxpayers who also file for individual income tax purposes as heads of household are to continue to receive an extra refund amount to dovetail with provisions of the income tax law which allow such filers to receive an additional personal exemption.

The hearing on **SB 378** was concluded

**SB 379 - Income defined for homestead property tax refund purposes.**

The amendment to **SB 379** was explained to the Committee by Chris Courtwright. He told them that it would expand the Homestead Property Tax Refund Act by allowing Social Security disability payments to be excluded from the definition of income in determining eligibility for the program.

The hearing on **SB 379** was concluded.

**SB 502 - Oil lease property tax refunds.**

It was moved by Representative Minor and seconded by Representative Gregory that **SB 502** be amended to make it effective upon publication of register. The motion to amend carried on a voice vote.

It was moved by Representative Johnston and seconded by Representative Minor that **SB** be passed as amended. The motion carried on a voice vote.

**HB 2721 - Relating to oil and gas severance taxation.**

It was moved by Representative Minor and seconded by Representative Long that on page 4, line 41, the addition of the word "decline" to follow the word "production". The motion to amend carried on a voice vote.

Representative Campbell moved to amend **HB 2721** to add a cap so that the tax exemption wouldn't exceed the investment made. The motion was seconded by Representative Jenkins and failed on a show of hands.

It was moved by Representative Johnston and seconded by Representative Minor to adopt **HB 2721** as amended. The motion passed on a voice vote.

### **SB 410 - Providing tax benefits and incentives for statutory compliance by certain taxpayers.**

The Chair asked Shirley Sicilian of the Department of Revenue to explain her Agency's suggested amendment to **SB 410**. (Attachment 1).

It was moved by Representative Campbell and seconded by Representative Johnston to adopt the amendment to **SB 410** requested by the Department of Revenue. The motion to amend passed on a voice vote.

Reference was made of the legislative testimony given by Marlee Bertholf of the Kansas Chamber of Commerce (KCCI). (Attachment 2).

Representative Gregory made the motion to adopt the suggested amendment of the KCCI. Representative Palmer seconded the motion which passed on a voice vote.

Representative Gregory then made the motion that was seconded by Representative Palmer, that the amendment in the KCCI be made into three separate amendments. They also moved for the adoption of the first proposed change. The motion carried on a voice vote.

It was moved by Representative Gregory and seconded by Representative Johnston to adopt the KCCI's second proposed change. The motion carried on a voice vote.

The motion was made by Representative Gregory and seconded by Representative Gilbert to adopt the KCCI's third proposed change. The motion failed.

Representative Jenkins moved that number 5 of the Department of Revenue's suggested amendments be deleted from the bill. The motion was seconded by Representative Campbell and failed on a voice vote.

It was moved by Representative Johnston and seconded by Representative Vickrey that **SB 410** be passed as amended. The motion carried on a voice vote.

### **SB 411 - Relating to property taxation; concerning appeals procedures for certain valuation controversies.**

The Chair called the Committee's attention to section d, (referring to subsection b), page 3, line 33 to 35 of **SB 411**, saying there was opposition to the requirement listed.

Representative Johnston pointed out section b, page 3, line 9 through 12, asking that it be deleted from **SB 411**.

It was moved by Representative Johnston and seconded by Representative Palmer to amend **SB 411** by the deletion of this section. The motion to amend carried on a voice vote.

It was moved by Representative Campbell and seconded by Representative Sharp that **SB 411** be passed as amended. The motion carried on a voice vote.

### **HB 2678 - Relating to sales taxation; exempting certain sales of hotel rental services.**

Representative Tomlinson moved for the favorable passage of **HB 2678**. The motion was seconded by Representative Ray.

CONTINUATION SHEET

**HB 2999 - Relating to sales taxation; exempting purchases by organizations for prevention of cruelty to animals.**

A substitute motion was made by Representative Edmonds and seconded by Representative Johnston to amend **HB 2999** into **HB 2678**. The motion to amend carried on a show of hands.

Representative Edmonds moved for the favorable passage of **HB 2678**. Representative Tedder seconded the motion. Representative Edmonds and Representative Tedder then withdrew their motion.

Representative Kirk moved to amend **SB 116** into **HB 2678**. The motion was seconded by Representative Johnston and passed on a voice vote.

Representative Aurand made a substitute motion that was seconded by Representative Long to take out the word "federal" from **HB 2678**. The substitute motion failed.

It was moved by Representative Johnston and seconded by Representative Edmonds that **HB 2678** be passed favorably as amended. The motion carried on a voice vote.

Representative Palmer moved for the introduction of **SB 464**. Representative seconded the motion and it carried on a voice vote.

The meeting was adjourned at 10:45 a.m. The next meeting is scheduled for Thursday, March 16, 2000.