

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 22, 2006 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department  
Martha Dorsey, Legislative Research Department  
Gordon Self, Revisor of Statutes  
Richard Cram, Department of Revenue  
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Melissa Wangemann, Deputy of Secretary of State - Legal

Others attending:

See attached list.

The Chairman updated the Committee on the legislative process.

The minutes from the January 27, 31, February 1, 6, 10, March 8, 10, 13, 14, 15, 16, 17, 20, 21 and 22, 2006 Taxation Committee Meetings were approved by consensus of the Committee.

Representative O'Malley made a motion to introduce a bill regarding an increase of authority of a drainage district in Mission, Kansas to implement a new mill levy limit from 5 mills to 10 mills. Seconded by Representative Davis. The motion passed.

**HB 2689 - Authorizing countywide retailers' sales tax for Crawford County**

Representative O'Malley made a motion to amend **HB 2689**, adding the Johnson Country sales tax increase to the list of other sales tax increases already listed in the bill. Representative Owens seconded the bill. The motion carried.

Chairman Wilk advised Gordon Self that although they normally address the conflict reconciliation issues with these type bills, on this particular bill he wanted to keep the bill as it is. The Senate will deal with the conflict reconciliation issue at a later time.

Representative Huff made a motion to move out a **Substitute for HB 2689**, as amended, in the form of a substitute bill. Representative Owens seconded the motion. The motion carried.

**SB 365 - Enacting the Kansas estate tax act**

The Chairman explained that **SB 365** was an estate tax. It is of interest to the Chamber as a Whole and passed the Senate with a wide margin. The Committee added Representative Goico's amendment and they are now ready to work the bill.

The Chairman explained that there was consensus of leadership to amend **HB 2619**, including: Representative Siegfroid "slider" amendment, and Representative Mah's floor amendment, a tax credit for seniors into **SB 365**. The Homestead amendment, added on the floor would not be included in the bill. It was also leadership's desire to amend **Substitute for HB 2525**, the trailer bill, into **SB 365**.

Representative Goico made a motion to amend **SB 365** and roll in two bills: 1) **HB 2619**, as it left the Committee, with the Mah amendment; and 2) **HB 2525**, as it passed off the floor. Representative Siegfroid seconded the motion. The motion carried.

Representative Goico made a motion that they move **SB 365**, as amended, favorable for passage. Representative Siegfroid seconded the motion. The motion carried.

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**SB 358 - Withholding requirements; filing certain statements by electronic means.**

Chris Courtwright said that **Sub. for SB 358** would require entities filing withholding tax statements with the Department of Revenue to file such statements electronically when reporting information for 51 or more employees.

Representative Dillmore made a motion to move out **Sub. for SB 358**, favorable for passage. Representative Menghini seconded the motion. The motion carried.

**SB 359 - Would remove statutory limits relative to the maximum amount of money that can be held in various tax refund funds administered by the Department of Revenue. Secretary Wagon requested this bill and passed the Senate without amendments.**

Representative Huff made a motion to amend **SB 423** into **SB 359**. Representative Siegfried seconded the motion.

The Chairman explained that **SB 423** was a bill by former Representative Carol Beggs that had been offered multiple years and passed the House easily each time. He called attention to the language on page two, lines seven through ten, especially the words "shall" and "may".

Representative Brunk made a substitute motion to change "may" to "shall" on page two, line nine. Representative Goico seconded the motion.

Discussion followed regarding the merits of giving the court discretion to made decisions on each case.

Representative Brunk closed his substitute motion. The motion passed 11-10.

Representative Goico made the motion to pass out **SB 359**, as amended, favorable for passage. The motion carried.

**HB 2948 - Would remove the fiscal implications on fees for filing and provides the Secretary of State the latitude on paperwork.**

A balloon was distributed to the Committee (Attachment 1).

Gordon explained the original bill eliminated the annual report fee. The balloon would strike all references to that, thus the annual report fee would remain as it was, with the exception of four or five clean-up technical changes. There was also a change on page 25, line 32, making January 1, 2007 the effective date.

Representative O'Malley made a motion to adopt the balloon. Representative Gordon seconded the motion.

Lengthy discussion followed regarding the intent of the bill, process of revenue/fees collection and pros and cons of the amendment.

Representative O'Malley withdrew his motion to adopt the balloon and said he would support the underlying bill. There was no objection from the second, Representative Gordon.

Representative Menghini made a motion to amend the balloon into **HB 2948**. Representative Dillmore seconded the motion.

Representative Carlson made a substitute motion to pass out **HB 2948** as originally presented with the addition of the effective date on page 25, line 32. Representative Kelly seconded the motion.

Representative Treaster made the motion to table **HB 2948**. Representative Thull seconded the motion. The motion passed 10-8. The following Representatives requested to be recorded as a NO

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vote: Brunk, Carlson, George, Goico, Gordon, Siegfried.

The Chairman thanked the Committee, the Leadership team and Staff for their hard work. He recognized the work done by Representative Huff during his legislative career and said he was honored to serve as their Committee Chairman.

The meeting adjourned at 10:15 A.M. There are no additional scheduled meetings at this time.