

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on January 31, 2006 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Kansas Legislative Research
Martha Dorsey, Kansas Legislative Research
Gordon Self, Revisor of Statutes Office
Judy Swanson, Secretary

Conferees appearing before the committee:

Senator Ralph Ostmeyer
Representative Jim Morrison
Kevin Rasure, Sherman County Commissioner

Others attending:

See attached list.

Senator Allen moved to introduce a bill which would allow for a check off for breast cancer research. Senator Apple seconded the motion, motion passed.

Hearing on **SB 429**, authorizing countywide retailers' sales tax in Sherman county for roadway improvement.

Senator Ostmeyer testified the bill would help Sherman County and Goodland improve their infrastructure and roadways. (Attachment 1) He noted the House Taxation Committee passed **HB 2698** this morning, and it is the same bill as **SB 429**.

Representative Jim Morrison submitted written support for **SB 429**. (Attachment 2)

Kevin Rasure, Sherman County Commissioner, testified as to why **SB 429** was needed in Sherman County. (Attachment 3) He provided county and city project cost information. It is a joint city-county project.

Following Committee discussion, hearing on **SB 429** was closed.

Committee discussion was held on **SB 358**, electronic filing of returns and electronic funds transfer for payments required in certain circumstances.

Richard Cram, KDOR, furnished the Committee information it requested concerning W-2 Specifications for Electronic/Magnetic Media. (Attachment 4) Gary Centlivre, KDOR, addressed the electronic payment process. He said there is no cost or burden to taxpayers to file electronically as they can do it by telephoning in and setting up a bank withdrawal of taxes or by going on-line. Sales tax returns can also be done on-line. The state would acquire funds quicker if this bill were passed. It would include prepayment of taxes. Senator Donovan said that float time has been recently decreased, and would be further decreased by this bill. This bill would create a departure from the Federal guidelines for requiring electronic filing of W2s, lowering the threshold from 250 employees to 50 employees. Mr. Cram said W2s cannot be submitted by phone. Jeff Scott, KDOR, said the Check 21 Law allows KDOR expanded ability to cross-match W2s with Kansas withholding. KDOR can look for non-filers and under-filers this way. No action was taken on **SB 358**.

Senator Lee moved to report **SB 357** favorable for passage. Senator Allen seconded the motion, and the motion passed.

Chairman Allen requested Senator Lee to carry the bill on the Floor of the Senate.

Senator Donovan made a motion to report **SB 359** favorable for passage. Senator Bruce seconded the motion, and the motion passed.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:40 A.M. on January 31, 2006 in Room 519-S of the Capitol.

Discussion was held on **SB 423**, award of attorney fees to taxpayer in certain appeals by county of orders of board of tax appeals.

A memo from Tony Folsom, KDOR, was distributed. (Attachment 5) Mr. Folsom said KDOR did not receive a request from anyone in Saline County to look into the problem the County was experiencing. Discussion was held concerning reciprocity for those who were acting in bad faith. Senator Bruce will work with the Revisor to prepare an amendment to **SB 423** concerning the criteria needed for the awarding of attorney fees.

Senator Schmidt made a motion to approve the Minutes of the January 25 Committee meeting. Senator Donovan seconded the motion, and the motion passed.

Being no further business, the Committee adjourned at 11:45 a.m.