

Approved: March 13, 2009
Date

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 9:00 a.m. on March 9, 2009, in Room 535-N of the Capitol.

All members were present except Representatives Benlon, Goico, Dillmore and Hayzlett, who were excused.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Kathy Beavers, Committee Assistant

Conferees appearing before the Committee:

Sarah Byrne, Office of the Attorney General, Alcohol Beverage Control
Richard Cram, Kansas Department of Revenue

Others attending:

See attached list.

Chairman Carlson stated that the committee minutes for February 25, 26, 27 and March 2, 3, 4, and 5, 2009 were e-mailed to them for review. The minutes will be accepted as written on Thursday, March 12, 2009 if there are no corrections or additions.

SB 97 - Prescribing penalties for violations of liquor enforcement tax act by retailers.

The Chairman opened the hearing on **SB 97**.

Chris Courtwright, Kansas Legislative Research Department, briefed the committee on **SB 97**.

Sarah Byrne, Office of the Attorney General, assigned to Kansas Department of Revenue, testified in support of **SB 97** (Attachment 1). She stated that this bill would amend the liquor enforcement tax act to mirror that provision and establish clear authority for the director to fine, revoke or suspend the license of any retailer who fails to timely file and pay its liquor enforcement tax.

The amendment would add the wording *farm winery, microbrewery or distributor to Section 1. (a)*. Ms. Byrnes stated the wording would clarify the Director's authority, create consistent enforcement in the industry and encourage compliance with the provisions of the liquor enforcement tax act.

Amy Campbell, Executive Director, Kansas Association of Beverage Retailers, answered queries from the committee members regarding the Associations agreement/disagreement with the amendment. She stated that the Association did not object to the amendment, but would prefer to add *any licensing subject to K.S.A. 79-4101*. That would clarify any additional businesses that would fall under that category. Ms. Byrnes stated they had no objection to that wording. Representative Carlson requested that Gordon Self work with Ms

CONTINUATION SHEET

Minutes of the House Taxation Committee at 9:00 a.m. on March 9, 2009, in Room 535-N of the Capitol.

Byrnes and Ms. Campbell to amend the balloon. Both stood for questions.

The Chairman closed the hearing on **SB 97**.

SB 98 - Period of limitations for refunds and adjustments of income by the Internal Revenue Service under the Kansas income tax act.

The Chairman opened the hearing on **SB 98**.

Richard Cram, Kansas Department of Revenue, testified in support of **SB 98** (Attachment 2). Mr. Cram introduced Jim Bartle, General Counsel, Kansas Department of Revenue, Robert Challquist, Legal Services Attorney, Kansas Department of Revenue and Courtney Hadley, Legal Intern, Kansas Department of Revenue, to the committee. Mr. Cram stated that **SB 98** would amend K.S.A. 2007 Supp. 79-3230 to clarify the statutory deadline for filing income tax refund claims. He explained the two court cases, In re McColley or In re Lemons, which resulted in the recommended amendments. The Department of Revenue also recommends amendments to subsections (f) and (g) of 79-3230, which concern the statute of limitations on refund claims associated with Revenue Agent Reports (RAR).

Mr. Cram stated that the fiscal impact is not yet determined. He stood for questions.

The Chairman closed the hearing on **SB 98**.

Representative Brown introduced his pages for the day - Eric Williams, Diana Marquez, Rebekah Burgweger and Sophia Templin. They are from Lexington Trails Middle School, DeSoto, Kansas.

Representative Hawk introduced his intern, Jessica Schultz, from Kansas State University (KSU).

Representative Menghini introduced her intern, Miranda Metcalf, a Washburn University student.

The next meeting is scheduled for March 10, 2009.

The meeting was adjourned at 10:15 a.m.