

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by the Chairman Edmonds at 9:00 a.m. March 12 in Room 519-S of the Capitol.

All members were present except: Representative Mays, excused
 Representative Powell, excused

Committee staff present: Chris Courtwright, Legislative Research Department
 April Holman, Legislative Research Department
 Don Hayward, Revisor
 Winnie Crapson, Secretary

Conferees appearing before the committee:
 Representative Larkin
 Representative Findley
 Sandi Gerstner
 Chelsea Winters
 J.J. Adams
 Nathan Dressman

Others attending: See attached list.

Hearing was opened on:
HB 2282 - Food sales tax refund enhancements

Representative Larkin explained that this bill had been introduced at the request of students from Frankfort High School who had been studying sales tax on food. He noted the program for rebate of food sales tax had been expanded in 1988 and put on the income tax form. Provisions proposed would raise the annual income eligibility from \$25,000 to \$30,000 per household; raise the allowance for each member from \$60 to \$70 and eligibility to \$15,000 per individual, and raise the allowance from \$30 to \$40 for incomes from \$15,000 to \$30,000.

Testimony in support of **HB 2282** was presented by Sandi Gerstner, Nathan Dressman, Chelsea Winters and J. J. Adams, speaking on behalf of their class at Frankfort High School.

Sandi Gerstner said it was the original intent of their class to request removal of all sales tax from food but realized it would be difficult to do away with it because of the revenue involved. They would propose money from the lottery would be used to replace the sales tax lost.

Nathan Dressman testified they realized funds from other sources would have to replace funds from sales tax on food and an option would be an increase in taxes on alcohol and tobacco products.

Chelsea Winters discussed changes proposed by the bill.

J. J. Adams testified from his work part time in a grocery store he recognizes that lower income families spend a higher percentage of their income for groceries and have a smaller percentage for other necessities.

Members of the Committee thanked the students for taking the time to study this and similar issues and for coming to appear before the Committee. They expressed the hope the students would continue their interest in the matter.

Hearing on **HB 2282** was closed.

March 12, 2001 Page 2 of 2

CONTINUATION SHEET

Hearing was opened on:

HB 2436 - Food sales tax refund income eligibility requirements

Representative Findley presented testimony in support of **HB 2436** (Attachment #1), noting the changes proposed to enhance and expand the Food Sales Tax Refund program.

Hearing on **HB 2436** was closed.

Chairman Edmonds reopened consideration of **HB 2408, Blue Valley Recreation System** as recommended by the Revisor for the purpose of correcting technical problems with the bill as amended and recommended by action of the Committee on March 8.

Representative T. Powell moved reconsideration of **HB 2408** recommended favorably for passage as amended for the purpose of making technical amendments recommended by the Revisor. Representative Gatewood seconded and the motion was adopted.

Representative Larkin moved further amending **HB 2408** as recommended by the Revisor (Attachment #2). Representative T. Powell seconded. Motion was adopted.

Representative T. Powell moved that **HB 2408** as amended March 8 and further amended today be reported favorable for passage. Representative Sharp seconded and motion was adopted.

Meeting adjourned at 9:20 a.m. Next scheduled meeting is March 13.

