

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 9:00 a.m. on March 4, 2009, in Room 535-N of the Capitol.

All members were present.

Committee staff present:

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

Conferees appearing before the committee:

Representative Mario Goico  
Richard Cram, Kansas Department of Revenue

Others attending:

See attached list.

Bill introductions:

Jim Garner, Secretary, Kansas Department of Labor requested a bill to conform to the Federal Recovery Act in the area of unemployment insurance. Representative Goyle made a motion to accept the bill introduction. Representative Menghini seconded the motion. The motion carried.

Representative Goico made a motion to introduce a bill to extend write off for long term care insurance. Representative Carlson seconded the motion. The motion carried.

**HB 2353** - Adding disabled veterans as a class of claimants for purposes of the Homestead Property Tax Refund Act.

The Chairman opened the hearing on **HB 2353**.

Chris Courtwright briefed the committee on **HB 2353**. He stated that this bill would expand the Homestead Act Program by adding two new groups to the demographic test. Persons that would qualify are disabled military personnel wounded in the line of duty and have a 50% or more permanent disability and meet the income guidelines, and surviving spouses of military personnel killed in the line of duty. He stood for questions.

Representative Goico testified in support of **HB 2353** (Attachment 1). In his written testimony he stated that a disabled veteran is:

- A Kansas resident
- Honorably discharged from active service in any branch of the armed forces of the United States or Kansas National Guard
- Certified by the Veterans Administration to have 50% permanent disability sustained through military action or accident or resulting from disease contracted while in such active service.

He stated that **HB 2353** makes a commitment to Kansas veterans, the surviving spouse of military personnel killed in the line of duty and their families.

Richard Cram, Kansas Department of Revenue, testified in opposition to **HB 2353** (Attachment 2). He stated while we honor our veterans that made sacrifices to protect our freedom this proposal will have a significant negative fiscal impact of \$215,000. There are over 7,000 disabled veterans in Kansas and 715 of those veterans would qualify for the Homestead refund. He stood for questions.

The Chairman closed the hearing on **HB 2353**.

**HB 2319** - Determination of fair market value of certain rental property for property tax purposes.

CONTINUATION SHEET

Minutes of the House Taxation Committee at 9:00 a.m. on March 4, 2009, in Room 535-N of the Capitol.

Chris Courtwright, Kansas Legislative Research Department, briefed the committee on **HB 2319**. Discussion ensued and he stood for questions.

Representative Dillmore made a motion to move out **HB 2319** favorably for passage. The motion was seconded by Representative Menghini.

Representative Dillmore made a motion to amend **HB 2319** with the addition of the words, *including, but not limited to, restrictions on property rented or leased to low income individuals and families as authorized by section 42 of the federal internal revenue code of 1986, as amended*: be incorporated into sub paragraph (h) and (j).

Representative King seconded the motion and the motion carried.

A motion was made by Representative Dillmore to pass **HB 2319** out favorably. Discussion ensued. Chairman Carlson asked Representative Dillmore to close. Representative Dillmore closed the motion to pass **HB 2319** out favorably for passage. The motion carried.

The Chairman closed the hearing on **HB 2319**.

**HB 2299** - Sales tax exemption for Goodwill Industries Easter Seals Society of Kansas, Inc., and Goodwill Industries of Kansas, Inc.

Chris briefed the committee on **HB 2299**. He stood for questions. Discussion continued in regard to the legality of the exemption certificate held by Goodwill Industries of Kansas, Inc. Information from the Department of Revenue was sent by e-mail to the members of the committee to clarify the status of the certificate, which is valid but will expire November 2009.

A motion was made by Representative Goico to pass out favorably for passage **HB 2299** with the inclusion of additional businesses provided by Goodwill Industries of Kansas, Inc. Discussion continued.

Chairman Carlson called a recess so that Representative Goyle could contact Mrs. Compton of Goodwill Industries of Kansas, Inc., to clarify the additional organizations under that company.

Representative Goico withdrew his motion and second concurred.

A motion was made by Representative Goyle to pass out favorably **HB 2299** and to amend to by dropping the word *Society* on line 19, page 32. Representative Goico seconded the motion.

Representative Powell made a substitute motion to add the contents of **HB 2048** (All American Beef Battalion, Inc.) into **HB 2299** and pass out favorably. Seconded by Representative Schwartz.

Representatives Goyle, Lukert, Menghini and Dillmore opposed the substitute motion. Discussion ensued. Motion passed on division vote. Twelve in support and 8 opposed. Representative Dillmore requested that his no-vote be recorded.

The next meeting is scheduled for March 5, 2009.

The meeting was adjourned at 10:35 a.m.