

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on January 23, 2004 in Room 123-S of the Capitol.

All members were present except:

Senator Pete Brungardt- excused
Senator Susan Wagle- excused

Committee staff present:

Kathie Sparks, Legislative Research
Susan Kanarr, Legislative Research
Helen Pedigo, Revisor of Statutes
Nikki Kraus, Committee Secretary

Conferees appearing before the committee:

David Kerr, President, SBC Kansas City External Affairs
Kenneth Daniel, Chairman and C.E.O., Midway Sales & Distributing, Inc.; State Chairman, NFIB Leadership Council
Natalie Bright, Wichita Independent Business Association

Others attending:

See Attached List.

Mr. David Kerr provided the committee with information regarding Kansas telecom taxes, and Kansas' tax position relative to other states in the region. (Attachment 1) Among the states of TX, KS, AR, OK, MO, IL, WI, MI, IN, CT, OH, CA, and NV, Kansas ranks second in SBC total telco tax per access line, third in SBC telcos 2002 customer paid taxes per access line, and first in SBC telcos 2002 company paid taxes per access line.

Mr. Ken Daniel presented information from, "the perspective of a small business owner and advocate" regarding taxes in Kansas. (Attachment 2) He stated that in his opinion, taxes and bureaucracy are the most serious impediments to Kansas economic growth. He suggested the Legislature improve the business climate through elimination destination sourcing, paying Kansas retailers for serving as collection agents through a sales tax collection fee, rolling back the franchise tax to .1%, increasing the small claims court limit from its present \$1,800 limit to \$5,000, adopting the "Regulatory Flexibility Act", and generally taking a "global viewpoint instead of trying to make Kansas small-business friendly with targeted laws."

Ms. Natalie Bright provided and explained a survey of members of the Wichita Independent Business Association regarding taxes in the state. (Attachment 3) In summation, the membership was against higher taxes, favored legislative changes to reduce the cost of workers' compensation, and preferred issues such as health insurance to be governed at the state level as opposed to the Federal.

Following committee discussion, Chairperson Brownlee thanked the speakers and adjourned the meeting at 9:30 a.m. The next meeting will be at 8:30 a.m. on January 23, 2004 in Room 123-S of the Capitol.