

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on March 20, 2007 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department

Martha Dorsey, Legislative Research Department

Gordon Self, Office of Revisor of Statutes

Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Secretary Wagon, KDOR

David Corbin, KDOR

Jay Befort, KDOR

Mary Feighny, Assistant Attorney General

Jeff Scott, KDOR

Sky Westerlund, KS Chapter National Association of Social Workers

The Chairman called for bill introductions.

At the request of Representative Jeff Colyer, Representative Wilk moved that a bill be introduced regarding "Business Individual Earned Income Health Tax Credits". Representative Owens seconded the motion. The motion carried.

It was noted that minutes from the February 6, 14, 15 and March 6, 9, 12 Taxation Committee Meetings, were sent electronically on March 12, and by consensus were approved on March 19, 2007.

HB 2548 - Social security number or tax identification number required for licensure, certification or registration with state authorities.

The Chairman opened the public hearing and invited David Corbin, KDOR, to the podium to explain the bill.

Mr. Corbin reviewed the history of the bill, and stated that in 1988, KDOR attempted unsuccessfully to convince the Legislature to require all licensees to provide their social security numbers (SSN's) in a move to "enhance taxpayers compliance." The original bill required disclosure of SSN's but this mandatory language was removed during conference committee negotiations (no written testimony).

Jay Befort, KDOR, explained that currently the Department obtains SSN's from different agencies that license people throughout the state, and cross checks them to see if people are paying their income taxes. To date, they have matched 336,567 of the 423, 556, which is 79% of the licensee's in Kansas and collected \$8,305,419. **HB 2548** proposes to amend K.S.A. 74-139 to require applicants for various state licenses to include their social security or tax identification numbers on the applications submitted to the state licensing agency. Passage of **HB 2548** is essential to the effectiveness of and continued viability of the Department's state agency license matching program, and he urged its enactment (Attachment 1).

Mary Feighny, Assistant Attorney General, called attention to a letter, from the Office of the Attorney General, dated August 28, 2006 which addressed the subject of requiring SSN's from licensure applicants and licensees (letter included in Attachment 1). The Attorney General's office had reviewed KDOR's request for the SSN's of Board Licensees and reiterated the guidelines of the Privacy Act of 1974. They found that a Board cannot deny a license because the applicant refuses to provide his/her SSN (No written testimony).

Secretary Wagon, and Jeff Scott, KDOR spoke from the floor to clarify current processes and procedures used by the Department to verify and cross check licensees to income tax filers. They spoke of major professional licensing groups and stated that the percentage of those that do not file income tax is significant. The Chairman requested a breakdown of those licensing groups and the percent that do not file income taxes and Jeff Scott agreed to provide that tomorrow (No written testimony).

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on March 20, 2007 in Room 519-S of the Capitol.

Sky Westerlund, KS Chapter National Association of Social Workers, appeared in support of stricter language compelling licensees to submit their SSN's when applying for or renewing their social work license. She cautioned the committee that with the increase of online renewal processes there must always be the option for social workers, as licensees, to submit their paperwork through means other than over the internet, due to concerns of many to put sensitive information on the web (Attachment 2).

Discussion followed on alternative methods to avoid the necessity of placing a Social Security Numbers on actual applications. Copies of those original applications are kept on file by various licensing boards, thus subject to identity theft through those records.

Representative Siegfried recommended that a balloon be drafted that would require an applicant to submit to the Department of Revenue their SSN's, before state authorities could issue or renew licenses. All Social Security information is kept at KDOR. There was also a suggestion that they also be required to verify their current address, whether it is a business or home and license numbers. This information could be submitted electronically, by mail or telephone.

The Chairman closed the hearing on **HB 2548**.

HB 2549 - Time for notice of acquisition or sale of vessels to county appraiser for computation of value for property tax purposes.

Chris Courtwright said this bill would change the pro-rated valuation system for personal property taxes in use since 2002. Under this bill, people would be required to notify the county appraiser right away, with tax payment due on a yet to be determined date.

The Chairman advised they would return to the bill tomorrow. He reviewed the bills he planned to work at tomorrow's meeting and suggested they leave Friday open for additional work on Senate bills.

The meeting was adjourned at 10:25 a.m. The next meeting is March 21, 2007.