

MINUTES OF THE SENATE ASSESSMENT & TAXATION COMMITTEE

The meeting was called to order by Vice Chairman Pat Apple at 10:34 a.m. on February 21, 2011, in Room 152-S of the Capitol.

All members were present except:

Chairman Les Donovan – 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
Michael Wales, Kansas Legislative Research Department
Mary Jane Brueck, Committee Assistant

Conferees appearing before the Committee:

Ron Estes, Kansas State Treasurer
Sen. Garrett Love
Rep. Terry Calloway

Others attending:

See attached list.

Vice-Chairman Pat Apple opened the meeting with the announcement that tomorrow the committee will have hearings on **SB 177 – Statute of limitations increased for taxpayers claiming certain refunds and credits** and **SB 212 – Annual report by secretary of revenue of abatements of tax liability**

The Vice-Chairman then opened the hearing on **SB 116 - Unclaimed property; disclosure of tax information to the state treasurer.** Sen. Love explained the bill. Treasurer Ron Estes spoke in favor of this bill, explaining it would allow the Dept. of Revenue to securely share limited data with the Treasurer's office. The unclaimed property division of the Treasurer's Office would be allowed to match the social Security number attached to unclaimed property against income tax filings to obtain a current address. Having that information, the office would be able to contact owners of unclaimed property. (Attachment 1) Seeing no one else to speak about this bill, Vice-Chairman Apple closed this hearing.

The next order of business was **SB 193 - Requiring social security numbers in support of claims for food sales tax refunds.** Vice-Chairman Apple opened the hearing and recognized Sen. Love, who spoke in favor of this bill. This bill is needed in order to verify that the number of dependents claimed for food sales tax refunds is valid, and to eliminate the possibility of fraud. (Attachment 2) Written testimony was given by Rep. Terry Calloway, supporting this bill. (Attachment 3) Discussion was held. Seeing no one else present wishing to testify on this bill, Vice-Chairman Apple closed this hearing.

The committee turned its attention to **SB 198 - Creating rural opportunity zones.** Richard Cram, Department of Revenue, gave a brief explanation of the bill. A technical amendment was presented to clarify the bill and was explained. Sen. Lynn moved acceptance of the amendment. Sen. Bruce seconded the motion. Motion carried. Sen. King had another amendment to submit regarding addition of Cloud, Commanche, Elk, Mitchell, and Wilson to the bill. He would also add Stafford County to that list. The fiscal note would be very slight. Discussion was held. Sen. Lynn moved the amendment be adopted. Sen. Love seconded. There were two no votes; the motion carried. Sen. King had another amendment needed for the bill, but it is not available in writing. He would proposes in Section 2, 282, and 3c1 to change language regarding returning to live in Kansas. The stipulation of having no annual income from a Kansas source in past 5 years would be changed to income of less than \$10,000.00 per year from a Kansas source. This would also be applicable to student loans. Sen King said he trusts the revisors to write the amendment for this request. Sen. King moved the amendment; Sen. Lynn seconded the motion. Motion carried. Back on the bill, Sen. Pyle wants a way to get a per-centage of funds back if someone leaves after the fifth year of paying no tax (a callback provision). This would prevent people benefiting from this sort of bill and leaving at the end of the five years. Sen. King moved SB 198 be passed as amended. Sen. Lynn seconded. The motion carried. Sen. Hensley was recognized to speak. He said he feels this bill has a great deal of merit, but problems may come up.

Vice-Chairman Apple opened discussion on **SB 1 - concerning consumer transactions; relating to the**

CONTINUATION SHEET

The minutes of the Senate Assessment & Taxation Committee at 10:30 a.m. on February 21, 2011, in Room 152-S of the Capitol.

Kansas retailers'; sales tax act; requiring the cumulative rate to be printed on electronically printed sales receipts. A proposed amendment to this bill was distributed to the committee. Chris Courtwright explained the amendment states that any retailer who is not able to comply with the bill can apply for a waiver from the Secretary of State's office, and continue to display a sign with the tax information. After much discussion, Sen. King made a substitute to make a change in the Balloon amendment to say the sales tax information can either be included on the receipt or on a sign. Sen. Lynn seconded the motion. The motion carried. Sen. Holland made an amendment that if the merchant has a machine that will put the information on the receipt, it should be used; if not, use a sign. Sen. King opposed the amendment. The motion failed. On the bill, Sen. Hensley moved to adopt the bill as amended and move it out of committee. Sen. Holland seconded the motion. Motion carried.

Vice-Chairman Apple brought up **SB 59 - Interest rate charged; delinquent or unpaid tax and overpayment of taxes.** It has a technical amendment to add. Chris Courtwright Kansas Legislative Research Department distributed the amendment to the committee. Sen. Hensley moved the adoption of the amendment. Sen. Holland seconded it. The motion carried. Discussion followed. Sen King had an amendment. As the bill was originally written, the taxpayer has to pay a higher amount to the county than would be paid by the county to the tax payer if there were a clerical error causing the county to owe the tax payer. The bill should make sure those charges are the same rate. Sen. King moved his amendment. Sen. Lynn seconded. There was discussion. Sen Holland asked if the City of Topeka had seen this. Whitney Dameron told the committee the city was fine with this. Vice-Chairman Apple asked for a vote on the amendment. Sen. Love moved the amendment. Sen. Lynn seconded. The motion carried. Sen. Lynn made the motion to move SB 59 out of committee as amended. Seconded by Sen Hensley. Motion carried.

The Vice Chairman said there is only one more bill on the agenda today: SB 61 - Increasing income tax credit for contributions made by program contributors under the individual development account program. Vice-Chairman Apple asked what the committee's desire was for this bill. Sen. Bruce moved the bill be passed out of committee as amended. Sen. Lynn seconded the motion. Motion carried.

Vice-Chairman Apple closed today's meeting.

The next meeting is scheduled for February 22, 2011.

The meeting was adjourned at 12:00 p.m.