

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by the Chairman Edmonds at 9:30 a.m. March 16 in Room 519-S of the Capitol.

All members were present except: Representative Flora, excused
Representative Palmer, excused
Representative Powers, excused
Representative Sharp, excused

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

Conferee appearing before the committee:
Richard Cram, Department of Revenue
Mark Beshears, Sprint
Bill Dvorak, AT&T
Robert Fasl, Southwestern Bell
Mike Beam, Kansas Livestock Assn
Tom Bruno, Farm Credit Bank of Wichita
Greg Krissek, Kansas Corn Growers Assn
Leslie Kauffman, Kansas Farm Bureau
Don Moler, League of Kansas Municipalities
Judy Moler, Kansas Assn of Counties
Richard Rodewald

Others attending: See attached list.

Hearing was opened on:

SB 1 - Sales tax treatment of bundled services provided by telecommunication companies

Mark Beshears testified in support of **SB 1** on behalf of Sprint (Attachment #1) and responded to questions from members of the Committee.

William A. Dvorak presented testimony in support of the bill on behalf of AT&T (Attachment #2) and responded to questions from members of the Committee.

Robert J. Fasl presented testimony in support of the bill on behalf of Southwestern Bell (Attachment #3) and responded to questions from members of the Committee.

Hearing on SB 1 was closed.

Hearing was opened on:

SB 138 - Property tax exemption on grain drying equipment

Mike Beam presented testimony in support of **SB 138** on behalf of the Kansas Livestock Association (Attachment #4) and answered questions from the Committee members. Introduction of the bill had been requested by the Association because of the ruling in Board of Tax Appeals Docket No. 1999-6233-TX.

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Tom Bruno requested support of the bill on behalf of the Farm Credit Association of Kansas (Attachment #5). Mr. Bruno responded to questions from the Committee.

Testimony in support of the bill on behalf of the Kansas Corn Growers was presented by Greg Krissek (Attachment #6). Mr. Krissek answered questions.

Leslie Kaufman presented testimony in support of the bill on behalf of the Kansas Farm Bureau (Attachment #7) and responded to questions.

Hearing on SB 138 was closed.

Hearing was opened on:

SB 252 - Streamlined sales tax project participation authorized

Richard Cram, Director of the Office of Policy & Research of the Department of Revenue, presented testimony in support of **SB 252** (Attachment #8). Mr. Cram provided an Executive Summary of the Streamlined Sales Tax Project dated March 1, 2001 (Attachment #9). In response to questions from members of the Committee, he outlined the phases of participation in this initiative.

Don Moler presented testimony in support of the Streamlined Sales Tax Initiative on behalf of the League of Kansas Municipalities (Attachment #10).

Testimony in support of the bill was presented on behalf of the Kansas Association of Counties by Judy Moler (Attachment #11).

Richard Rodewald, Lawrence, addressed the Committee on the subject of excessive sales taxes.

Hearing on SB 252 was closed.

Hearing was opened on:

SB 253 - Timing of local tax collections.

Richard Cram presented testimony in support of the bill which proposes changes needed to bring Kansas sales and use tax law into compliance with the requirements of the Streamlined Sales Tax Agreement (Attachment #12).

Testimony in support of the bill was presented by Judy Moler on behalf of the Kansas Association of Counties (Attachment #13).

Hearing on SB 253 was closed.

Chairman Edmonds opened consideration of bills heard today and previously.

Representative Huff moved that SB 1 be recommended favorable for passage and placed on the consent calendar. Representative Mays seconded.

Representative Newton moved to amend SB 1 by deleting the language "Prior to" in lines 25 and 26 on page 2 and inserting "Within 90 days of". Representative Larkin seconded and the substitute motion was adopted.

Representative Huff moved to recommend SB 1 favorable for passage as amended. Representative Osborne seconded and the motion was adopted.

CONTINUATION SHEET

Representative Gatewood moved that **SB 138** be recommended favorable for passage and placed on the consent calendar. Representative Hutchins seconded.

Representative Larkin moved a substitute motion to amend **SB 138** by including in it **HB 2065**. Representative Gatewood seconded and substitute motion was adopted.

Representative Gatewood moved to recommend **SB 138** favorable for passage as amended. Representative Hutchins seconded and the motion was adopted.

Representative Hutchins moved to recommend **SB 253** favorable for passage. Representative Huff seconded and motion was adopted.

Representative Findley referred to amendment to **SB 42** proposed by Representative Dillmore in his testimony before the Committee which Representative Findley intended to move in two parts.

Representative Findley moved to amend **SB 42** to give city appointed advisory boards parity with the county appointed boards by requiring a unanimous vote to override recommendations of the board. Representative Larkin seconded. Motion failed.

Representative Findley moved to amend **SB 42** to redirect funds to 40% for parks and recreation and 60% to treatment and prevention programs. Representative Larkin seconded. Motion failed.

Representative Larkin moved to recommend **SB 42** favorable for passage. Representative Huff seconded and motion was adopted.

Meeting adjourned at 12:01 p.m. Next scheduled meeting is March 19.