

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:38 p.m. on February 10, 2011, in Room 783 of the Docking State Office Building.

All members were present.

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
Marla Morris, Committee Assistant
Allen Jeffus, Office Assistant

Conferees appearing before the Committee:

Majority Leader Arlen Siegfroid
Representative Mario Goico
Kent Eckles, Vice President of Government Affairs, The Kansas Chamber
Mark Tallman, Associate Executive Director/Advocacy, Kansas Association of School Boards

Conferees providing written only testimony:

Daniel Murray, Kansas State Director, National Federation of Independent Business

Others attending:

See attached list.

Bill Introductions:

Representative Melanie Meier, requested introduction of a bill to clarify the definition of residence rather than commercial classification of bed and breakfasts for the purpose of taxation. Representative Carlson moved introduction of the bill, Representative Dillmore seconded the motion. The motion carried.

Representative Kleeb moved introduction of a bill on economic benefit analysis. Representative Carlson seconded the motion, and the motion carried.

Chairman Carlson opened the hearing on:

HB 2160-Establishing the simplified state tax structure committee

Chairman Carlson directed the Committee to the Division of Budget Fiscal Note for **HB 2160** that is located in the daily packet (Attachment 1).

Scott Wells, Office of the Revisor of Statutes, briefed the committee on **HB 2160**. There were no questions.

Majority Leader Arlen Siegfroid, testifying in support of **HB 2160**, presented the changes from previous legislation as it pertains to the creation of a Simplified State Tax Structure Committee (Attachment 2). He stood for questions.

Representative Mario Goico spoke in support of changing the state's current tax structure. He suggested the creation of a Special Committee on Tax Reform based on the military BRAC model (Attachment 3). He stood for questions.

Kent Eckles, Vice President of Government Affairs, The Kansas Chamber, testified in support of **HB 2160**. He presented a series of charts based on statistics gathered from various sources commissioned by The Kansas Chamber (Attachment 4). He urged the Committee to pass favorably **HB 2160**, and stood for questions.

CONTINUATION SHEET

Minutes of the House Taxation Committee at 3:38 p.m. on February 10, in Room 783 of the Docking State Office Building.

Mark Tallman, Associate Executive Director/Advocacy, Kansas Association of School Boards (KASB), endorsed the provisions of **HB 2160**. His testimony reflected the concerns of the 287 KASB members, and their desire for a tax system that encourages economic growth, which supports a strong educational system, which in turn supports economic growth (Attachment 5). He stood for questions.

Chairman Carlson directed the Committee to testimony written-only, testimony in support of **HB 2160** from Daniel Murray, Kansas State Director, National Federation of Independent Business (Attachment 6).

Chairman Carlson closed the hearing on **HB 2160**.

Chairman Carlson opened discussion and action on:

HB 2161-Retailers may choose place of business sourcing or destination sourcing as method to determine sites of taxable transactions for sales tax purposes.

Chris Courtwright, Kansas Department of Legislative Research briefed the Committee on **HB 2161**.

Representative Brunk moved HB 2161 favorable for passage. The motion was seconded by Representative Schwab.

After considerable discussion, and due to time constraints, Chairman Carlson held the working of **HB 2161** in abeyance until adequate time can be scheduled to pursue action on the bill.

The next meeting is scheduled for 3:30 p.m., February 14, 2011, in Room 783 of the Docking State Office Building for the purpose of hearing **HB 2220 -Promoting employment across Kansas act; qualification for benefits.**

The meeting was adjourned at 4:58 p.m.