

MINUTES OF THE SENATE ASSESSMENT & TAXATION COMMITTEE

The meeting was called to order by Vice Chairman Pat Apple at 10:30 a.m. on February 8, 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:

Lorna Moore, IDA Program Director of Interfaith Housing Services
Sen. Terry Bruce
Earl Long, President, Fair Tax KC
Lloyd Hanahan
Sen. David Haley
Tom Palace, Executive Director of Petroleum Marketers and Convenience Store Association of Kansas

Others attending:

See attached list.

Vice-Chairman Pat Apple opened the meeting. He gave the committee an overview of what they would be hearing this week. He explained Wednesday the committee will hear a bill requested by Whitney Damron, representing the City of Topeka, dealing with interest rates on delinquent property taxes. Thursday will be a bill requested by county treasurers regarding property tax on sub-divisions. Next week the committee will have hearings on the bills for Rural Opportunity Zones, and for Expensing and Impact, and squeeze in the bill regarding electric charging stations.

Vice-Chairman Apple opened the hearing on **SB 61 – Increasing income tax credit for contributions made by program contributors under the individual development account program**. Scott Wells, Office of the Revisor of Statutes, explained the bill. Sen. Terry Bruce explained these tax credits give incentive to contributors to make large contributions to charities. Selling 50% tax credits is more difficult when the tax credit in Missouri is 75%. There is discrepancy between the Fiscal Note due to a difficulty in getting the figures needed. (Attachment 1) Next to speak was Lorna Moore, IDA Program Director of Interfaith Housing Services. She explained how the organization uses the IDA Program to bring more opportunities to the State. This involves selling the IDA Program through a 50% tax credit on the amount given, and having a program in Missouri, offering 25% more tax credit makes it difficult. By passing this bill, it will increase efficiency and collaboration through effective economic tool. (Attachment 2) Chris Harrison from the Department of Revenue spoke to the committee regarding the impact of this bill. He said Secretary George, Department of Revenue, was in favor of this bill. Richard Cram, also from the Department of Revenue explained that when someone makes this type of contribution, it decreases the amount of the charitable donation that can be declared on Federal and State income tax forms.

The committee heard opposition to this bill. Earl Long, President, Fair Tax KC, told the committee that this bill is too costly, and not attracting enough contributors. He pointed out those costs as being the cost of the House and Senate hearing the bill, the cost for Researchers and Revisors, and the cost to the State to deal with the paperwork. (Attachment 3) Lloyd Hanahan, a former CPA from Kansas City, also spoke to the committee, giving his reasons for objection to this bill. (Attachment 4) Seeing no one else who wished to speak about this bill, Vice-Chairman Apple closed the hearing on it.

The Vice-Chairman then opened the hearing on SB 1 – Concerning consumer transactions; relating to the Kansas retailers' sales tax act; requiring the cumulative rate to be printed on electronically printed sales receipts. Sen. David Haley explained the need to have identification of each tax that is being applied to

CONTINUATION SHEET

The minutes of the Senate Assessment & Taxation Committee at 10:30 a.m. on February 8, 2011, in Room 152-S of the Capitol.

the consumers' purchase not only to inform the consumer but also in order to prevent fraud. (Attachment 5) Tom Palace, Executive Director of the Petroleum Marketers & Convenience Store Association of Kansas, gave a neutral stance on this bill. (Attachment 6) He said smaller retailers may not have cash registers with the technology to be able to program this information onto customer receipts. Sen. Bruce brought up a question regarding Streamline taxing. This tax would be the amount of tax charged at the point of delivery, and unknown to the seller. Seeing no other people wishing to speak to the bill, Vice-Chairman Apple closed the hearing on this bill.

The next meeting is Wednesday, February 9 at 10:30 a.m.

The meeting was adjourned at 11:37 p.m.