

Approved: February 10, 2012  
(Date)

## MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:36 pm on Monday, January 23, 2012, in Room 783 of Docking State Office Building.

Members excused were:

Representative Scott Schwab  
Representative Caryn Tyson

Committee staff present:

Scott Wells, Office of the Revisor of Statutes  
Chuck Reimer, Office of the Revisor of Statutes  
Chris Sevedge, Kansas Legislative Research Department  
Allen Jeffus, Office Assistant  
Phyllis Fast, Committee Assistant

Conferees appearing before the Committee:

Representative Melanie Meier, from the 40<sup>th</sup> District  
Bill Waters, Kansas Department of Revenue Legal Staff  
Martin Rude, Owner of “The Barns @ Timber Creek” Bed & Breakfast  
Bob Topping, Retired Member, Kansas Bed & Breakfast Association

Others attending: See attached list.

Introduction of Bills:

Richard Cram, Kansas Department of Revenue, requested introduction of a bill to clarify that “prisoners” not be eligible for food sales tax rebates nor homestead refunds. Representative Frownfelter made a motion to introduce the bill. Representative Phelps seconded the motion. Motion carried.

Representative Dillmore requested a bill concerning the promoting employment across Kansas act; pertaining to qualifications for benefits under the act; Kansas small businesses; amending K.S.A. 2011 Supp. 74-50,211 and 74-50,212 and repealing the existing sections. Representative Frownfelter seconded the motion. Motion carried.

Chairman Carlson opened a hearing on:

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Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

Minutes of the HOUSE TAXATION Committee at 3:36 PM on Monday, January 23, 2012 in 783-DSOB.

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**HB 2403 - Property tax exemption and classification for property used for bed and breakfast home purposes.**

Representative Melanie Meier spoke in support of **HB 2403**, regarding the necessity of the bill. (Attachment 1) She stood for questions.

Scott Wells briefed the committee on **HB 2403**, to allow bed & breakfast owners living in bed & breakfasts with five beds or less to be taxed at the residential rate instead of at a commercial rate and be retroactive to 2005 (when the initial legislation became law). He and Bill Waters, Kansas Department of Revenue Legal Staff, stood for questions.

Martin Rude testified in support of **HB 2403**, emphasizing the number of “beds” in the bill be changed to ten rooms in lieu of five, so that bed & breakfast owners could have an incentive to increase their businesses without having their “profit” be reduced by the current commercial tax rate. (Attachment 2) He stood for questions.

Bob Topping testified in support of **HB 2403**, emphasizing the need for structures such as carriage houses and barns located on the same property as bed & breakfasts also be taxed as residential, since these structures are part of the “bed and breakfast experience”. (Attachment 3) He stood for questions.

No neutral testimony for or opposition to **HB 2403** was presented.

After all questions from the Committee were answered, Chairman Carlson closed the hearing on **HB 2403**.

The next meeting of the Committee is scheduled for 3:30 pm Tuesday, January 24, 2012, 783-DSOB.

The meeting was adjourned at 4:25 pm.