

Approved: March 21, 2012
(Date)

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:40 pm on Tuesday, March 7, 2012, 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
Chuck Reimer, Office of the Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Chris Sevedge, Kansas Legislative Research Department
Allen Jeffus, Office Assistant
Phyllis Fast, Committee Assistant

Conferees appearing before the Committee:

Kent Eckles, Kansas Chamber
Sarah Bagby, Watermark Books & Café, Wichita

Others attending: See attached list.

Introduction of Bills:

Representative Pat Colloton, from the 28th District, requested a bill concerning a sales tax exemption for a charity.

Representative Carlson made the motion concerning a sales tax exemption for a charity. Representative Schwab seconded the motion. Motion carried.

Chairman Carlson opened a hearing on:

HB 2610 - Sales taxation; presumptions relating to nexus.

Scott Wells briefed the Committee on **HB 2610**, citing language to expand the law such that sales of retail goods via the Internet be the same for all Kansas retailers. He stood for questions.

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 3:40 PM on Wednesday, March 7, 2012 in 783-DSOB.

Kent Eckles testified in support of **HB 2610** explaining in detail how online-only retailers are exploiting a loophole in the current sales tax system to avoid collecting local sales tax. (Attachment 1) He stood for questions.

Sarah Bagby testified in support of **HB 2610** explaining that non-collection of sales tax puts her 25-year old business and other small businesses at a disadvantage by having to charge sales tax in the range of 6% to 10%. (Attachment 2) She stood for questions.

Written only testimony in support of **HB 2610** was presented by: Frank Beer, RadioShack Franchise, Manhattan (Attachment 3); Ryan Irsik, Wal-Mart (Attachment 4); and Tim Ehlert, Target (Attachment 5).

No neutral testimony for or testimony in opposition to **HB 2610** was presented.

After all questions from the Committee were answered, Chairman Carlson closed the hearing on **HB 2610**.

Chairman Carlson sought discussion and action on:

HB 2769 - Property tax exemption for certain housing located on military installations in Kansas.

*Representative Goico made a motion to pass **HB 2769** out favorable. Representative Kelley seconded the motion. Motion carried.*

The next meeting of the Committee is scheduled for 3:30 pm Thursday, March 8, 2012 in 783-DSOB to work several bills.

The meeting was adjourned at 4:10 pm.