

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 10:30 a.m. on March 4, 2009, in Room 535-N of the Capitol.

All members were present.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Corey Carnahan, Kansas Legislative Research Department
Chris Courtwright, Kansas Legislative Research Department
Mary Jane Brueck, Committee Assistant

Conferees appearing before the Committee:

Ken Eckles, Vice President of Government Affairs for the Kansas Chamber of Commerce
Dan Jacobson, President, AT&T Kansas
Mark Beshears, Vice President, State and Local Tax, Sprint/Nextel
John Cmelak, Director of Tax Policy, Verizon Wireless
Sen. Tom Sloan,
Richard Cram, Department of Revenue

Others attending:

See attached list.

Chairman Donovan began the hearing on **HB 2079 - Sales tax refund on certain purchasers of telecommunications machinery and equipment**. He introduced Ken Eckles, Vice President of Government Affairs for the Kansas Chamber of Commerce told us the Chamber is fully behind this measure to better improve the State's business tax climate and help spur investment and job creation in Kansas. (Attachment 1) Dan Jacobson, President, AT&T Kansas explained this bill is good policy because it encourages more investment. The policy applies to Kansas manufacturing and farming, and many nearby states have adopted a similar policy to assure state-of-the-art telecommunications are available in Kansas. (Attachment 2)

Mark Beshears is Vice President, State and Local Tax, for Sprint/Nextel and is also speaking on behalf of Verizon Wireless, T-Mobile, Alltel, Cox Communications, Embarq, and Kansas Cable Telecommunication Association. He explained a bill similar to this passed both the Kansas House and the Senate last year but was vetoed by the Governor because it had been inserted in the Holcome Coal bill. Mr. Beshears said he has attached an article from Business Week indicating the stimulus package should include funds to invest in high-speed communications infrastructure. (Attachment 3)

John Cmelak, Director of Tax Policy, Verizon Wireless also spoke in support of this bill. He told the committee their support of this bill will send a strong signal to senior management of Verizon and its telecommunications competitors that Kansas not only sees the value of tax parity, but also is taking steps to modernize its tax code in order to continue development of high-speed telecommunications infrastructure. (Attachment 4)

Rep. Tom Sloan, was not present give his neutral testimony to the bill. The committee skipped over the Senator until he returns. (Attachment 5)

Richard Cram, Department of Revenue expressed concern regarding this bill's negative fiscal impact and permanent decrease to the tax base. (Attachment 6)

Chairman closed the hearing on **SB 2079**.

Chairman Donovan asked for approval of the minutes of the February 26, 2009 meeting. Sen. D. Schmidt moved the minutes be approved. Sen. Holland seconded the motion. The motion carried.

The next meeting is scheduled for March 5, 2009.

CONTINUATION SHEET

Minutes of the Senate Assessment And Taxation Committee at 10:30 a.m. on March 4, 2009, in Room 535-N of the Capitol.

The meeting was adjourned at 11:30 p.m.