

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 5:20 p.m. on May 4, 2009, in Room 545-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:

Kent Eckles, Kansas Chamber of Commerce
Secretary Joan Wagon, Department of Revenue

Others attending:

See attached list.

Chairman Donovan explained the meeting would be informal. Last Friday we did not finish the hearing on the decoupling bill, **SB 335 - Income taxation, deductions, determination of Kansas adjusted gross income and credits, decoupling legislation.** Kent Eckles with the Kansas Chamber of Commerce spoke briefly in opposition to this bill. (Attachment 1) Chairman Donovan closed the hearing on this bill. He said he did not see any action on this bill this year.

Secretary Joan Wagon, Department of Revenue spoke on **SB 337 - Amnesty from assessment or payment of penalties and interest on certain unpaid taxes.** This bill is looking at the debt that is currently on appeal by a tax payers, but has not been settled. This bill would allow pending cases to be reviewed by the Department of Revenue, and possibly bring in \$35,000,000.00 into the treasury of the state. She proposed different wording for the bill to clarify it. (Attachment 2) Gordon Self, Office of the Revisor of Statutes, suggested this wording be used as a substitute for the original bill. Discussion of this change was held. Sen Steineger moved a substitute bill be written with this new language, and the bill be passed out of committee favorably. Sen. Lynn seconded the motion. After further discussion, the motion carried.

Chairman Donovan reopened the hearing on **SB 334 - Rates of estate tax and franchise tax, three-year without reduction.** The hearing on this bill was held May 1, 2009. Sen. D. Schmidt moved to strike all information regarding estate taxes from this bill. Sen. Lynn seconded the motion. Motion carried.

Sen D. Schmidt moved to further amend SB 334 to alter the provision in respect to franchise tax for recapture of \$12,000,000.00 in 2010 and accelerate the repeal of franchise tax in 2009. Sen Apple seconded the motion. Discussion was held. Sens. Brownlee and Lynn gave their opinions regarding the present recession and the effects of this bill. Sen. Apple explained this bill needs to advance to the floor. Sen. Steineger suggested the vote be put off until another time, allowing committee members to talk with businesses in their districts. Chairman Donovan said he is willing to put off the vote on this amendment until tomorrow. A motion to do so cannot be made until the committee votes on Sen. Schmidt's amendment that is presently on the floor. The vote on that amendment was held. The motion passed. Sen. Karin Brownlee voted no; Sen. Julia Lynn also voted no.

Chairman Donovan reopened discussion on **SB 338 - Distribution of revenue from tax on privilege of selling alcoholic liquor.** Sen. D. Schmidt moved the bill be moved favorably to the floor. Sen. Apple seconded the motion. Sen Steineger suggested the State keep the funds from local governments' share of this tax revenue since it goes into their general funds. Sen Holland spoke against Sen. D. Schmidt's motion. The motion carried.

Being no further discussion, on bills the meeting was adjourned at 6:20 p.m.

No future meetings are scheduled.