

Approved: 2-19-2007
Date

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Vice-Chair Carlson at 9:05 A.M. on February 1, 2007 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Office of Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Representative Pat Colloton
Representative Jeff Colyer
Robert Waller, Board of Emergency Medical Services
Dennis Snodgrass, Assistant Fire Chief, Clinton Township
Brad Smith, Fire Chief, Derby
Kevin Florey, Topeka Fire Department
Richard Cram, Department of Revenue
Doug Smith, Kansas Academy of Physician Assistants
Sky Westerlund, KS Chapter National Association of Social Workers
Whitney Damron, Kansas Psychological Association
Cara Cramer-Greve, Kansas Association for the Medically Underserved
Nikki King - Health Care Access Clinic, Lawrence
Chad Austin, Kansas Hospital Association
Kerry McCue, KS EMS Association
Cynthia Smith, Sisters of Charity Health Systems Clinic
Kevin Robertson - KS Dental Association (written only)
Terri Roberts - KS State Nurses Association (written only)
Gary Reser - KS Veterinarian Medical Association (written only)

Others attending:

See attached list.

The Vice-Chair called for bill introductions.

On behalf of Representative Colloton, Vice-Chair Carlson made the motion to introduce a bill for a sales tax exemption on postage used in bulk mailing. Representative Owens seconded the motion. The motion carried.

On behalf of Representative Sloan, Vice-Chair Carlson made the motion to introduce a bill that would allow Kansas sales tax exempt status for two non-profit 501 (c) (3) organizations: Kansas Herpetological Society and the Center for North American Herpetology. Representative Holland seconded the motion. The motion carried.

Representative Light requested a bill introduction that would authorize certain interlocal agreements which allow the sharing of revenue based on growth in assessed valuation of real and personal property. Representative Holland moved the introduction, seconded by Representative Treaster. The motion carried.

HB 2101 - Income tax credit for certain services by volunteer firefighters or volunteer EMS providers.

Chris Courtwright said **HB 2101** would provide a new tax credit, effective for tax year 2007, for a volunteer firefighter or volunteer EMS provider. The credit amount would be \$100 for a volunteer with qualified service of between two and six years, \$200 for a volunteer with qualified service of between six and 11 years, and \$300 for a volunteer of at least 11 years. The total amount of the credit is limited to \$1.0 million.

He explained the difference between refundable, non-refundable and carry forwarded tax credits and the

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on February 1, 2007 in Room 519-S of the Capitol.

criteria for qualification.

Vice-Chair Carlson opened the public hearing.

Robert Waller, Board of Emergency Medical Services, said that Kansas, not unlike many other states, is faced with a severe shortage of EMS personnel. The ability to recruit and retain their volunteers is becoming more difficult as the number of younger Americans are not volunteering for a number of reasons. This bill would provide another piece in the recruitment tool package and he urged passage of **HB 2101** (Attachment 1).

Dennis Snodgrass, Assistant Fire Chief, explained that the number of volunteer firefighters has decreased 5-10% since 1983. The standards for a volunteer firefighter have changed dramatically, and with those changes have come higher firefighting education and certification requirements, which mean more time is demanded of the volunteer than ever; time away from work and family. He provided statistics on firefighter volunteers in Kansas (Attachment 2).

Brad Smith, Fire Chief, appeared in support of **HB 2101**. He said the bill is important because volunteerism is a strong component of a growing community, and volunteer fire departments make up over 85% of the departments in Kansas. This bill is compensation to the families that support their firefighters dedication to the job while requiring them to be away from home. He suggested six items the committee review before making any decision on the bill (Attachment 3).

Kevin Florey, Topeka Fire Department, testified on behalf of their 16,000 firefighters in Kansas, and said it is time to reflect upon the millions of dollars saved for the taxpayers of this state by the volunteer efforts of Kansas volunteers. If **HB 2101** was adopted it would grant a measure of appreciation to the men and women who risk their lives each day to protect each of us (Attachment 4).

Kerry McCue, Kansas EMS Association, appeared in support of **HB 2101**. He said the bill would be good for the smaller communities that have only 300 to 400 calls a year. He spoke of the importance of volunteerism in the smaller communities and urged passage of the bill. He suggested that Medical First Responder's be included in the bill (No written testimony).

Richard Cram, Department of Revenue, rose in opposition to **HB 2101**. He said the bills are well intended and they recognize people for providing services vital to their communities, however the Department cautions the unintended consequences of treading down the path toward giving tax credits for volunteered time. The Department is not aware of any federal tax credits based on community volunteer time and once the state establishes such a precedent, requests for similar tax credits will follow. He suggested that funding for volunteer firefighter and EMS programs could be more efficiently provided through direct appropriations to the organizations (Attachment 5).

Discussion followed clarifying portions of proponents suggestions. In response to a question regarding whether volunteer firefighters or EMS providers have a mill levy available to their organizations, Mr. Cram agreed to check and get back to the Committee.

Seeing no other conferees, the Vice-Chair Carlson closed the public hearing.

HB 2102 - Income tax credit for health care professionals who contribute time and professional expertise to community service organizations.

Vice-Chair Carlson opened the public hearing.

Doug Smith, Kansas Academy of Physician Assistants, appeared in support of **HB 2102**. He asked the Committee to consider including Physician Assistants in the list of health care professional that would be eligible for this tax credit. His testimony included a balloon amendment for that purpose (Attachment 6).

Representative Jeff Colyer spoke to the Committee in support of the concept of the bill. As a physician

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on February 1, 2007 in Room 519-S of the Capitol.

in an emergency room he provided an overview of what is happening in emergency rooms across Kansas. He stated there is an extreme shortage of medical professionals. He suggested that recognition be given to the expenses and sacrifices made by many to keep Kansas viable. Bills such as **HB 2102** would be an important addition to public policy (No written testimony).

Sky Westerlund, KS Chapter National Association of Social Workers, said that their organization supports the bill because it recognizes people, who are professionals, working in their field, but more importantly encourages them to provide their services in the volunteer sector. She said that as broad as the list of qualified professions is they would asked for the inclusion of social workers to that list (Attachment 7).

Whitney Damron, Kansas Psychological Association, rose in support of **HB 2102**. He respectfully requested an amendment to add the term "licensed psychologist" to the bill. He offered a balloon amendment to this end. He said that at this time when our country and state are trying to deal with the ever increasing costs of health care, it will be important to find creative ways, such as **HB 2102**, to encourage health care providers who volunteer their services (Attachment 8).

Cara Cramer-Greve, Kansas Association for the Medically Underserved (KAMU), testified that the bill is a reward mechanism for those health care providers volunteering their time in such settings as primary care safety net clinics. Many of their member clinics' workforce is substantially comprised of volunteer health care providers donating their time and services. She urged the Committee to pass **HB 2102** (Attachment 9).

Nikki King, Health Care Access Clinic, testified that their clinic is experiencing volunteer fatigue and a tax credit would be an over-due show of gratitude for many years of altruism and selfless contribution to the charity component of their current health care system. She offered three suggestions, which in their opinion would strengthen the bill (Attachment 10).

Chad Austin, Kansas Hospital Association, testified that dedicated professionals travel to various communities and provide essential health care services and it would reward the efforts of those individuals as well as create an incentive for more professionals to donate their time and knowledge. He suggested that **HB 2102** should include other types of licensed health care professionals, such as physician assistants and advance registered nurse practitioners (Attachment 11).

Dan Morin, presented the testimony of Jerry Slaughter, Executive Director, Kansas Medical Society, in support of **HB 2102**. He stated that this legislation encourages health care providers to increase the amount of care they provide, and thereby improve access, to services (Attachment 12). He suggested that if the bill goes forward, he encouraged the committee to clarify some of the definitions in the bill.

Cynthia Smith, Sisters of Charity Health Systems Clinic, stood in support of the bill. Her testimony included the written testimony of Marilyn Page, Executive Director, of the Marion Clinic, which states that the volunteer effort at Marian Clinic is phenomenal. An analysis of Marian Clinic's on-site physician services, by the county's coordinating office, Health Access, estimated the market value to be \$358,000 in 2005 (Attachment 13).

The Vice-Chair acknowledged the receipt of written testimony in support of **HB 2102** from the following: Kevin Robertson - KS Dental Association; Terri Roberts - KS State Nurses Association; and Gary Reser - KS Veterinarian Medical Association (Attachment 14).

Richard Cram, Department of Revenue, acknowledged that his testimony was the same for **HB 2101** and **HB 2102**, and he referred to his previous comments.

Seeing no other conferees, the Vice-Chair closed the public hearing.

The meeting was adjourned 10:30 a.m. The next meeting is February 2, 2007.