

Approved: 3/11/09
Date

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 10:40 a.m. on March 5, 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:

Representative Pat George,
Don L. McNeely, President, Kansas Automobile Dealers Association
Jeff Longbine, Legislative Administrator for Kansas Automobile Dealers Association and owner of Longbine Auto Plaza, Emporia, Kansas
John Federico, representing General Motors
Richard Cram, Department of Revenue

Others attending:

See attached list.

Chairman Donovan opened the hearing on **HB 2172– Permanent exclusion from sales taxation of certain cash rebates on sales or leases of new motor vehicles**. The first proponent to speak was Rep. Pat George. He explained this bill will make permanent what was made law three years ago. Rep. George said at this time the automobile business is in dire straits, and he asked for support of this bill. (Attachment 1)

Don L. McNeely, President, Kansas Automobile Dealers Association, pointed out that this bill was put into effect in 2006 as HB 2640 which eventually became SB 404 which had a sunset provision for a June 30, 2009 was added. He agreed with Rep. George that this is the wrong time to increase taxes on the purchase of a new vehicle. (Attachment 2)

Jeff Longbine, Legislative Administrator for Kansas Automobile Dealers Association and owner of Longbine Auto Plaza in Emporia, Kansas also spoke in support of this bill. He asked this committee to strongly consider passage of **HB 2172** as a matter of simplicity, fairness, and a tool to spur the Kansas economy to move forward. (Attachment 3)

John Federico, representing General Motors, presented written testimony urging the committee to support **HB 2172**. (Attachment 4)

Richard Cram, Department of Revenue, explained that the Department of Revenue is concerned with this bill's negative fiscal impact and permanent decrease to the tax base, which will affect the State's ability to meet basic needs of its citizens. (Attachment 5)

The next meeting is scheduled for March 11, 2009. There will be probable final action on bills we have previously discussed.

The meeting was adjourned at 11:15 a.m.