

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 10:00a.m. on May 1, 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
Chris Courtwright, Kansas Legislative Research Department
Mary Jane Brueck, Committee Assistant

Conferees appearing before the Committee:

Mark Tallman, Kansas Association of School Boards
Dan Murray, State Director of National Federation of Independent Business Kansas
Ken Eckels, Kansas Chamber of Commerce
Brad Harrelson, Kansas Farm Bureau
Tim Witsman, President of Wichita Independent Business Association
Dale Goter, Government Relations Manager, City of Wichita
Don Moler, Executive Director, League of Kansas Municipalities
Kevin Corbett, Olathe Parke and Recreation Director
John Knight, Director, Shawnee County Parks and Recreation
Ernie Shaw, Director, Lawrence Parks and Recreation Department
Curt Loupe, Director of Parks and Recreation, City of Manhattan Kansas
Kansas Recreation and Park Association
Gary Allerhuligen, Kansas Society of CPAs,

Others attending:

See attached list.

Chairman Donovan announced that he would be changing the order that the bills being heard today were listed in the Calendar. He opened the meeting with **SB 337 - Amnesty from assessment or payment of penalties and interest on certain unpaid taxes**. He asked Chris Courtwright, Kansas Legislative Research Department, to give us a recap of what this bill does, then have testimony by Secretary Wagon, before hearing conferees. Chris explained how the Tax Amnesty process is to work (Attachment 1).

Joan Wagon, Secretary of the Department of Revenue spoke to this bill. She likened the situation to two buckets. Bucket number one holds cases on appeal. Bucket number 2 holds cases that have had their appeals, and there is an amount due, but is not being paid. This bill will allow those people have a chance to come in and settle their debt. She shared charts showing what sort of monies are possible for collection. (Attachment 2)

Chairman Donovan closed the hearing on SB 337 and opened the hearing on **SB 334 - Rates of estate tax and franchise tax, three-year without reduction**. Chris Courtwright explained this bill also.

(Attachment 3) Mark Tallman, representing Kansas Association of School Boards, Kansas National Education Associations, and United School Administrators of Kansas spoke in favor of this bill as well as SB335 and SB 337. (Attachment 4) Secretary Wagon expressed the departments' strong support of this bill. Dan Murray State Director of National Federation of Independent Business Kansas, spoke in opposition to this bill. (Attachment 5) Ken Eckels, Kansas Chamber of Commerce also expressed their opposition to this bill. (Attachment 6) Brad Harrelson said Kansas Farm Bureau also opposes this bill. (Attachment 7) Tim Witsman, President of Wichita Independent Business Association told of their reasons for opposing this bill. (Attachment 8) The committee also received written testimony from Derrick Sontag, State Director of Americans for Prosperity (Attachment 9), Dave Holtwick of the Overland Park Chamber of Commerce. (Attachment 10), and Mike Beam, Kansas Livestock Association (Attachment 11). Chairman Donovan said there will be another meeting next week to speak to this bill. He closed the hearing.

The next bill to be heard was **SB 338 - Distribution of revenue from tax on privilege of selling alcoholic**

CONTINUATION SHEET

Minutes of the Senate Assessment and Taxation Committee at 10:30a.m. on May 1, 2009, in Room 535-N of the Capitol.

liquor. Dale Goter, Government Relations Manager, City of Wichita told the committee the Wichita City Council sends this message: "Do what you think is best to balance the state budget, but be fair in how the burden is distributed." (Attachment 12) John Knight, Director, Shawnee County Parks and Recreation was the first to speak in opposition of this bill. (Attachment 13) Chris Courtwright gave a brief explanation of this bill. (Attachment 14) Ernie Shaw, Director, Lawrence Parks and Recreation Department, told the committee how important it is to their community to continue to receive the funds that are to temporarily be removed from their budget, and explained the reasons for their opposition to this bill. (Attachment 15) Curt Loupe, Director of Parks and Recreation, City of Manhattan Kansas told how this loss of funds will impact Manhattan. (Attachment 16) Kevin Corbett, Olathe Parks and Recreation Director, gave reasons for Olathe's opposition to this bill. (Attachment 17) Don Moler, Executive Director, League of Kansas Municipalities asked the committee to take pity on the cities and find a better way to find \$9,000,000.00. (Attachment 18) We also had written testimony in opposition to this bill from the Kansas Association of Counties (Attachment 19) and the Kansas Recreation and Park Association (Attachment 20) Chairman Donovan closed the hearing on SB 338.

The Chairman explained to the conferees that he did not think there would be enough time to hold a fair hearing on **SB 335 - Income taxation, deductions, determination of Kansas adjusted gross income and credits, decoupling legislation**. He asked if there were people from out of town who would like to speak to this bill. Gary Allerhuligen, Kansas Society of CPAs asked the committee not to use this method as a short term fix for the state's financial problems. (Attachment 21) Chairman apologized to others who had come to this meeting to speak to this bill. He said the committee will meet next week to look at these bills and have a hearing on SB 335.

The next meeting is scheduled for next week. The time and place are yet to be determined.

The meeting was adjourned at 12:11 p.m.