

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on March 20, 2006 in Room 519-S of the Capitol.

All members were present except:

Derek Schmidt- excused

Committee staff present:

Chris Courtwright, Kansas Legislative Research

Martha Dorsey, Kansas Legislative Research

Gordon Self, Revisor of Statutes Office

Judy Swanson, Secretary

Conferees appearing before the committee:

Hal Hudson, NFIB

Marlee Carpenter, Kansas Chamber

Duane Simpson, Kansas Grain & Feed

Mike Murray, Sprint

Karl Peterjohn, Kansas Taxpayers Network

David White, AT&T, Written Only

Allie Devine, Kansas Livestock Association, Written Only

Kansas Cooperative Council, Written Only

Others attending:

See attached list.

Senator Bruce moved to report **HB 2573**, income taxation, deduction for amounts contributed to qualified tuition programs, favorably for passage. Senator Pine seconded the motion, and the motion passed.

Hearing was opened on **HB 2548**, three-year phase out of the franchise tax.

Hal Hudson, NFIB, testified in favor of **HB 2548**. (Attachment 1) He said NFIB has been an advocate of reducing the franchise tax or fee since it was doubled in 2002 session.

Marlee Carpenter, Kansas Chamber, testified the Chamber feels this bill is another way to incrementally improve the Kansas business climate. (Attachment 2)

Duane Simpson, Kansas Grain & Feed Association, testified this bill is KG&F's highest priority. (Attachment 3)

Mike Murray, Sprint, said Sprint pays in excess of \$400,000 per year in franchise tax. (Attachment 4) Sprint supports **HB 2548**.

Karl Peterjohn, Kansas Taxpayers Network, testified in favor of **HB 2548**. (Attachment 5)

Written testimony in favor of **HB 2548** was received from:

David White, AT&T, (Attachment 6)

Allie Devine, Kansas Livestock Association (Attachment 7)

Kansas Cooperative Council (Attachment 8)

Hearing on **HB 2548** was closed.

Discussion was held on the fiscal note for **HB 2640**, no sales taxation of manufacturer rebates to purchasers and lessees of new motor vehicles. Richard Cram, KDOR, said KDOR is comfortable with the original fiscal note, but would be willing to adjust it from \$10.9 million to \$9.9 million.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 10:40 A.M. on March 20, 2006 in Room 519-S of the Capitol.

KDOR Secretary Joan Wagnon requested an opportunity to give the Committee information on **Sub HB 2023**, sales tax authority of cities under retailers' sales tax law. Chairman Allen said Secretary Wagnon could brief the Committee at tomorrow's meeting.

Senator Bruce moved to approve the Minutes of the March 15 and March 16 Committee meetings. Senator Lee seconded the motion, and the motion passed.

Being no further business, the meeting adjourned at 11:10 a.m.