

Approved: March 21, 2012
(Date)

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:39 pm on March 1, 2012, in Room 783 of the Docking State Office Building.

Members excused were:

Representative Frownfelter
Representative Schwartz

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Chuck Reimer, Office of the Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Chris Sevedge, Kansas Legislative Research Department
Allen Jeffus, Office Assistant
Phyllis Fast, Committee Assistant

Conferees appearing before the Committee:

Don McNeely, Kansas Automobile Dealers Association, President
Mitchell Kinworthy, Pittsburg Resident
Richard Cram, Kansas Department of Revenue

Others attending: See attached list.

Chairman Carlson opened a hearing on:

HB 2607 - Certain cash rebates on sales or leases of motor vehicles not subject to sales taxation.

Chuck Reimer briefed the Committee on **HB 2607**, which concerns reinstatement of a sales tax exemption for rebates associated with motor vehicle sales.

Representative Calloway testified in support of **HB 2607**, by indicating the need to continue legislation that sunset in 2009. (Attachment 1) He stood for questions.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

Minutes of the HOUSE TAXATION Committee at 3:39 PM on Thursday, March 1, 2012
in 783-DSOB.

Don McNeely testified in support of **HB 2607**, providing history of the legislation, originally attached to another bill in the mid 1990s for which the sunset was designed. (Attachment 2) He stood for questions.

Mitchell Kinworthy testified in support of **HB 2607**, by providing a recent experience with a car dealer in which he was charged sales tax on the sale of the vehicle which did not include the rebate. (Attachment 3) He stood for questions.

After all questions from the Committee were answered, Chairman Carlson closed the hearing on **HB 2607**.

Chairman Carlson opened a hearing on:

HB 2570 (SB 369 - Prohibiting certain confined persons from receiving food sales tax refunds and homestead property tax refunds) - Prohibiting certain confined persons from receiving food sales tax refunds and homestead property tax refunds.

Chuck Reimer, Office of the Revisor of Statutes, briefed the Committee on **HB 2570 (SB 369)**, indicating a better definition of Kansas citizens who should not receive tax refunds is being proposed.

Richard Cram, KDOR, testified in support of **HB 2570 (SB 369)**, citing a current case regarding one inmate, while serving a sentence in Kansas, has filed for a tax refund. When Revenue denied his claim, the claim went to the Board of Tax Appeals, which currently has it under consideration. Concern is, that under the current legislation, the Board of Tax Appeals may grant the refund, thus creating additional tax refunds to those citizens serving sentences in the state. (Attachment 4) He stood for questions.

After all questions were answered, Chairman Carlson closed the hearing on **HB 2570 (SB 369)**.

The next meeting of the Committee is scheduled for 3:30 pm Monday, March 5, 2012 in 783-DSOB.

The meeting was adjourned at 4:27 pm.

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