

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairperson Steven Johnson at 3:30 pm on Thursday, April 05, 2018, in room 346-S of the Capitol.

All members were present except:

Representative John Alcala – Excused
Representative Tom Burroughs – Excused
Representative Abraham Rafie – Excused

Substitute members:

Representative Brett Parker, appointed substitute member to the committee
Representative Sean Tarwater, appointed substitute member to the committee

Committee staff present:

Adam Siebers, Office of Revisor of Statutes
Chris Courtwright, Legislative Research Department
Jessa Farmer, Legislative Research Department
Lea Gerard, Kansas Legislative Committee Assistant
Reed Holwegner, Legislative Research Department
Scott Wells, Office of Revisor of Statutes

Conferees appearing before the Committee:

Jackie McClaskey, Secretary Kansas Department of Agriculture
Representative Don Schroeder, 74th District
Don McNeely, Kansas Automobile Dealers Association

Others in attendance:

[See Attached List](#)

Final action on bills previously heard

HB2761 - an act concerning income taxation; relating to Kansas itemized deductions of an individual.

Scott Wells, Senior Assistant Revisor, provided an overview on **HB2761** stating under current law taxpayers in Kansas can only itemize deductions if they itemized at the federal level. Under **HB2761** beginning in tax year 2018, individuals would be able to itemize in Kansas regardless of how they were treated at the federal level. Mr. Wells stood for questions from the Committee.

*Representative Hawkins moved, seconded by Representative Williams **HB2761** be passed. Motion carried.*

SB415 - An act concerning the Kansas state fair; relating to state sales tax revenues collected on

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 Committee on Taxation at 3:30 pm on Thursday, April 05, 2018, in room 346-S of the Capitol.

the Kansas state fairgrounds; deposit of revenues in state fair capital improvements fund.

Mr. Wells provided an overview on **SB415**, which concerns the state sales tax collected by the Kansas State Fair or any retailer upon the gross receipts received from the sale of tangible personal property at retail on the Kansas State Fairgrounds. Under the provisions of the bill there would be an annual transfer of \$300,000 from the State General Fund to the State Fair Capital Improvements Fund. An additional provision would expire and have no affect if the State Fair was ever located outside the city limits of Hutchinson. Mr. Wells stood for questions from the Committee.

*Representative Gartner moved, seconded by Representative Mason **SB415** be passed.*

*Representative Williams moved, seconded by Representative Phillips, a substitute motion to amend **SB415**. Motion failed. ([Attachment 1](#))*

*Representative Williams moved, seconded by Representative Smith, a substitute motion to amend **SB415**. Motion passed. ([Attachment 2](#))*

*Representative Sawyer moved, seconded by Representative Davis to amend **SB415**. Motion passed. ([Attachment 3](#))*

Chairperson Johnson yielded the chair to Vice-chairperson Phillips, who presided for the remainder of the meeting.

*Representative Gartner moved, seconded by Representative Thimesch, the Committee recommend **SB415** be passed as amended. Division was called and the motion passed with 15 Yeas and 3 Nays.*

SB449 - An act concerning savings programs; relating to beneficiaries of ABLE accounts, transfers, qualified higher education expenses; income taxation deduction for contributions.

*Representative Davis moved, seconded by Representative Gartner **SB449** be passed.*

*Representative Davis moved, seconded by Representative Williams to amend **SB449**. Motion passed. ([Attachment 4](#))*

*Representative Davis moved, seconded by Representative Eplee, the Committee recommend **SB449** be passed as amended. Motion passed.*

CONTINUATION SHEET

MINUTES of the Committee on Taxation at 3:30 pm on Thursday, April 05, 2018, in room 346-S of the Capitol.

Hearing on: SB367 — Sales taxation; treatment of coupons; certain cash rebates on sales or leases of new motor vehicles.

Mr. Wells provided an overview on **SB367**, stating it would amend the definition of sales or selling price in the sales tax law. Commencing July 1, 2019 the sales or selling price would include cash rebates granted by the manufacturer to a purchaser or leasee of a new motor vehicle if paid directly to the retailer. Mr. Wells stood for questions from the Committee.

Kathleen Smith, Department of Revenue provided an overview on **SB367**. The National Auto Dealers Association have reported there are approximately 105,000 new cars sold in Kansas per year and the assumption was made 50 percent of the sales included a \$1,250 rebate that would equate to a reduction in state sales tax collections of around \$4 million. The Department of Revenue estimates this would be \$3.3 million to the State General Fund and \$0.7 million to the State Highway Fund for FY2020. Ms. Smith stood for questions from the Committee.

Don McNeely, President Kansas Automobile Dealers Association testified as a proponent for **SB367**. ([Attachment 5](#))

Meeting adjourned at 4:38 PM.