

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson John Edmonds at 9:00 a.m. on February 7, 2003 in Room 519-S of the Capitol.

All members were present except: Representative Paul Davis
Representative Gilbert

Committee staff present: Chris Courtwright, Legislative Research Dept.
Gordon Self, Office of the Revisor
Carol Doel, Committee Secretary

Conferees appearing before the committee: Marlee Carpenter, Kansas Chamber of Kansas
Ann Spiess, Kansas Telecommunications Inc. Assn.
Robert Fasl, Southwestern Bell Communications
Mark Beshears, Sprint
Kenneth Daniel, NFIB

Others attending: See attached list

Chairman Edmonds opened the meeting for introduction of bills.

Representative Larkin asked for the introduction of a bill that would cut off the three year statute of limitations with the respect to the number of income and sales tax refunds as well as some credits that may apply that would impact economic development.

Hearing no objection, Chairman Edmonds will allow that introduction.

Representative Larkin had been asked by Acting Secretary of Revenue, Joan Wagnon if he would introduce a proposal for the tax amnesty.

Without objection this bill will be accepted for introduction also.

Representative Powers was recognized and addressed the committee asking for the withdrawal of his proposed round-up tax bill.

The next order of business was approval the minutes from January 14th, 16th, 22nd, 28th, 29th and 30th.

Representative Schwab made a motion to approve all sets of minutes as read. Motion was seconded by Representative Owens. Motion carried.

With no further business, Chairman Edmonds opened the meeting for hearing on **HB 2077**. With no proponents, the Chairman called on the opponents to appear before the committee.

Marlee Carpenter, Kansas Chamber Commerce, testified as a opponent to **HB 2077**. Her testimony stated that

CONTINUATION SHEET

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they believe in order to keep Kansas competitive, the cost of doing business in the state cannot be increased and that repealing the sales tax exemption would increase the cost of goods and services to consumers. ([Attachment 1](#))

Next to appear before the committee as an opponent to **HB 2077**, was Anne Spiess, President of the Kansas Telecommunications Industry, KTIA. In her testimony, Ms. Spiess pointed out that it was their opinion that the passage of **HB 2077** would result in a tax policy that would put Kansas at a competitive disadvantage with surrounding states. ([Attachment 2](#))

Robert Fasl, Regional Tax Director for Southwestern Bell Communications Inc. (SBC), gave testimony in opposition to **HB 2077**. His testimony related that to repeal the affiliated group, resale, and access fee exemptions directly targets the telecommunications industry, creates double taxation, and unfairly increases SBC's cost of doing business in Kansas. ([Attachment 3](#))

Appearing in opposition to **HB 2077**, was Mark Beshears, Assistant Vice President, State and Local Tax for Sprint in Overland Park, Kansas. It is the opinion of Sprint that repealing the sales tax exemption in this bill would increase the company's costs as well as the customers' cost of doing business in Kansas. ([Attachment 4](#))

Representing Midway Sales and Distributing, was Kenneth Daniel, Chairman and C.E.O. of the company. He also testified in opposition to **HB 2077**. In his testimony, Mr. Daniel, relates that telephone and telecommunication services are basic and vital to his business and that he feels that Kansas already has a much heavier tax load than some of the neighboring states. ([Attachment 5](#))

Submitting written testimony only in opposition to **HB 2077** was Verizon Wireless ([Attachment 6](#)), and Mr. Hal Hudson, State Director, National Federation of Independent Business ([Attachment 7](#))

Chairman Edmonds asked if there were any other opponents to **HB 2077**, and hearing none closed the public hearing on **HB 2077**.

With no further business before the committee, Chairman Edmonds adjourned the meeting at 10:20 a.m.