

Approved: January 18, 2007

Date

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 10:40 A.M. on January 16, 2007 in Room 519-S of the Capitol.

All members were present except:

Les Donovan- excused

Committee staff present:

Chris Courtwright, Kansas Legislative Research Department

Martha Dorsey, Kansas Legislative Research Department

Gordon Self, Office of Revisor of Statutes

Jason Thompson, Office of Revisor of Statutes

Judy Swanson, Committee Assistant

Conferees appearing before the committee:

Jonathan Mitchell, City Administrator, City of Ellsworth

Kim Winn, Kansas League of Municipalities

Senator Peggy Palmer

Karl Peterjohn, Kansas Taxpayers Network

Jim Snyder, Silver Haired Legislature

Others attending:

See attached list.

Chairman Allen moved to introduce a bill for a specialty automobile license plate to benefit breast cancer research. Senator Schmidt seconded the motion, and the motion passed.

Chairman Allen moved to introduce an income tax credit bill for individual taxpayers who make donations to fee-funded public school activities and programs. Senator Schmidt seconded the motion, and the motion passed.

SB 34: Additional projects that qualify pursuant to the transportation development district act

Jonathan Mitchell, City Administrator of Ellsworth, addressed the committee as a proponent of the bill. (Attachment 1) He reviewed projects the City of Ellsworth has undertaken in the past few years in order to keep the city growing, even though the population is declining. A new approach is necessary for Ellsworth to enhance its downtown, therefore the city's support of this bill. The bill would clarify Transportation Development Districts (TDD) to include streetscapes and facades, which would enable Ellsworth to make its improvements through a TDD.

Written testimony in favor of **SB 34** was received from Linda Mowery-Denning, Editor-Publisher, Ellsworth County Independent-Reporter. (Attachment 2)

Kimberly Winn, League of Kansas Municipalities, testified in favor of **SB 34**. (Attachment 3) She said the bill simply clarifies the current law to allow this project to go forward.

Written testimony from Matt Shatto, Assistant City Administrator of City of Lenexa, in favor of **SB 34** was received. (Attachment 4)

During Committee discussion, Senator Jordan expressed concern as to "facade" pertaining to new buildings also. Ms. Winn said that was not the intent of the bill, and the bill should be limited to existing buildings. Senator Lee concurred with Senator Jordan, and said she would like the bill to be tied to historical buildings only. Senators Jordan and Lee will work with Staff on clarifying the language in the bill, and will bring it back to the Committee for further discussion.

Mr. Mitchell said the City of Ellsworth is hoping to be listed on the State Register of Historic Districts sometime in February.

Hearing was closed.

SB29: Exclusion of social security benefits from Kansas adjusted gross income for income tax liability purposes

State Senator Peggy Palmer gave the history of why she introduced **SB 29**. (Attachment 5) This legislation exempting Social Security benefits from state income tax will provide consistency and equity, and will provide equity regarding Kansas policy for retirement benefits. It is a positive growth policy. House Research from Minnesota House of Representatives was attached to Senator Palmer's testimony. Missouri has a similar bill this session for the same exemption. Census shows that in the year 2030, one in every five citizens in the State of Kansas will be over the age of 65.

Karl Peterjohn, Kansas Taxpayers Network, testified **SB 29** would correct a significant flaw in Kansas personal income tax laws. (Attachment 6) He said Oklahoma will be reducing its rate on all income taxes for the third consecutive year. He felt this tax cut is needed for equity reasons.

Jim Snyder, Silver Haired Legislature, testified in favor of **SB 29**. (Attachment 7) He gave personal examples about his tax experience and how this bill would benefit retirees in his situation. Social Security recipients might not have any taxes on social security monies upon retirement, but if they have any deferred income, they might get hit later in life.

Written testimony in favor of **SB 29** was received from Citizen Paul Fleenor. (Attachment 8)

The AARP Policy Statement was received stating it had no position on this legislation. (Attachment 9)

A memo from Chris Courtwright, Legislative Research, to Senator Lee was discussed. (Attachment 10) Not all states treat social security income the same, so it is difficult to make comparisons. If **SB 29** were enacted, it would affect approximately 115,000 Kansans, for an average of \$164 tax cut per return.

Being no further business the meeting adjourned at 11:40 a.m. The next meeting will be held on January 17.