

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 9:00 a.m. on February 11, 2009, in Room 535-N of the Capitol.

All members were present except Representative Rardin, who was excused.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Hank Avila, Kansas Legislative Research Department
Chris Courtwright, Kansas Legislative Research Department
Kathy Beavers, Committee Assistant

Conferees appearing before the committee:

Representative Pat George
Richard Cram, Kansas Department of Revenue
Randall Allen, Kansas Association of Counties
April Holman, Kansas Action for Children
Robert Waller, Executive Director, Kansas Board of Emergency Medical Services
Mark Desetti, Kansas National Education Association (Written testimony only)

Others attending:

See attached list.

Bill Introductions:

Representative McCray-Miller made a motion to introduce two bills. They are:

- sales tax exemption for Mid-America Minority Development Council
- a bill that deals with financial literacy

The motion was seconded by Representative Menghini. The motion carried.

Chairman Carlson opened the hearing on **HB 2176**.

HB 2176 - Sales tax exemption for Stephanie Waterman Tennis Foundation.

Chris Courtwright Kansas Legislative Research Department, briefed the committee on **HB 2176**.

Randall Allen, Kansas Association of Counties, testified in opposition to **HB 2176** (Attachment 1). Mr. Allen stated that he would like to see a moratorium on sales tax exemptions. New exemptions shift the burden of financing services to an increasing narrow tax base. He stood for questions.

April Holman, Kansas Action for Children testified in opposition to **HB 2176** (Attachment 2). In her testimony she stated that the Kansas tax structure is not keeping pace with the cost of public infrastructure. The accumulative loss of revenue from sales tax exemptions will result in significant losses over time and will erode the sales tax base.

Richard Cram, Kansas Department of Revenue testified in opposition to **HB 2176** (Attachment 3).

The Chairman called attention to the written testimony of Mark Desetti, Kansas National Education Association (KNEA). Kansas National Education Association is neutral on the passage of **HB 2176** (Attachment 4).

The Chairman closed the hearing on **HB 2176**.

The Chairman opened the hearing on **HB 2189**.

HB 2189 - Sales tax exemption for Golden Belt Community Concert Association.

Chris Courtwright Kansas Legislative Research Department, briefed the committee on **HB 2189**.

CONTINUATION SHEET

Minutes of the House Taxation Committee at 9:00 a.m. on February 11, 2009, in Room 535-N of the Capitol.

Randall Allen, Kansas Association of Counties testified in opposition to **HB 2189** (See Attachment 1).

April Holman, Kansas Action for Children testified in opposition to **HB 2189** (See Attachment 2).

Richard Cram, Kansas Department of Revenue testified in opposition to **HB 2189** (See Attachment 3).

The Chairman called attention to the written testimony of Mark Desetti, Kansas National Education Association (KNEA). Kansas National Education Association is neutral on the passage of **HB 2189** (See Attachment 4).

Chairman Carlson closed the hearing on **HB 2189** and opened the hearing on **HB 2190**.

HB 2190 - Sales tax exemption for Steve King Foundation.

Chris Courtwright Kansas Legislative Research Department, briefed the committee on **HB 2190**.

Representative Pat George (Attachment 5) and Representative Larry Powell testified in support of **HB 2190**. The purpose of the Steve King Foundation is to provide funds for families of injured racers and to racing facilities to improve safety measures. They stood for questions.

Randall Allen, Kansas Association of Counties testified in opposition to **HB 2190** (See Attachment 1).

April Holman, Kansas Action for Children testified in opposition to **HB 2190** (See Attachment 2).

Richard Cram, Kansas Department of Revenue testified in opposition to **HB 2190** (See Attachment 3).

The Chairman called attention to the written testimony of Mark Desetti, Kansas National Education Association (KNEA). Kansas National Education Association is neutral on the passage of **HB 2190** (See Attachment 4).

Chairman Carlson closed the hearing on **HB 2190** and opened the hearing on **HB 2191**.

HB 2191 - Income tax credit for certain services by volunteer firefighters or volunteer EMS providers.

Chris Courtwright Kansas Legislative Research Department, briefed the committee on **HB 2191**.

Robert Waller, Executive Director, Kansas Board of Emergency Medical Services, testified in support of **HB 2191** (Attachment 6). Mr. Waller stated that the passage of **HB 2191** would help provide EMS personnel with the financial recognition they deserve and would be a helpful incentive in recruitment.

Richard Cram, Kansas Department of Revenue testified in opposition to **HB 2191** (Attachment 7). Mr. Cram stated in his testimony that the Department of Revenue cautions the unintended consequences of treading down the path toward giving tax credits for volunteered time. If a precedent is established, requests for similar tax credits will follow. Compensation with non-taxable transfer payment seems inconsistent with the idea of voluntary service

Richard Cram stated passage of **HB 2191** could reduce fiscal year 2010 State General Fund revenues by \$1.0 million.

Chairman Carlson closed the hearing on **HB 2191**.

Representative Goyle introduced pages for the day. They are Michelle Prater, Katie Dacey and Brett Van Arsdale.

The next meeting is scheduled for February 12, 2009. The meeting was adjourned at 10:30 a.m.