

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Barbara Allen at 3:08 PM on May 1, 2005 in Room 241-N of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Kansas Legislative Research  
Martha Dorsey, Kansas Legislative Research  
Gordon Self, Revisor of Statutes Office  
Judy Swanson, Secretary

Conferees appearing before the committee:

Harriet Lange, Kansas Association of Broadcasters

Others attending:

See attached list.

Senator Apple presented a new m and e proposal to the Committee which would reinstate the LAVTRF transfers. (Attachment 1) Senator Donovan said he thought this proposal would be much more expensive to the State than the original proposal. Senator Lee felt this proposal would be paying back to the counties what the State has already taken away.

Senator Lee made a motion, seconded by Senator Schmidt, to amend **HB 2573, income taxation**, by amending the House Taxation Committee version of **SB 384, income tax checkoff for Kansas military emergency relief and breast cancer research**, the provisions of **SB 465, increasing income tax credit for adoption of certain Kansas children**, and the provisions of **SB 444, net operating loss carry back or carry forward for income tax purposes**, into the bill. Motion carried.

Senator Schmidt moved to create a substitute bill for **HB 2573** and recommended **Senate Sub. for HB 2573**, favorably for passage. Senator Lee seconded the motion, and the motion passed.

Senator Lee moved to amend **HB 2689, sales taxation, countywide and citywide retailers' sales tax authority, sales tax exemptions**, by removing the Johnson County language from the bill, and by adding in provisions for Atchison County and Saline County, and to give Revisor license to make technical amendments as needed. Senator Schmidt seconded the motion, and the motion passed.

Senator Schmidt moved to further amend **HB 2689** by adding language that would give certain non-profit museums a sales tax exemption. Senator Donovan seconded the motion, and the motion passed.

Senator Donovan moved to further amend **HB 2689** by adding language that would give the Kansas Childrens Service League of Topeka a sales tax exemption. Senator Jordan seconded the motion, and the motion passed.

Senator Apple moved to further amend **HB 2689** by adding the provisions of **HB 2794, classification of cities for sales taxation purposes**. Senator Schmidt seconded the motion, and the motion carried.

Senator Schmidt moved to create a substitute bill for **HB 2689**, and recommended **Senate Substitute for HB 2689** favorably for passage. Senator Donovan seconded the motion, and the motion passed.

Senator Jordan made a motion to reconsider actions on **Senate Sub. for HB 2573**. Senator Donovan seconded the motion, and the motion passed.

Senator Jordan moved to amend **Senate Sub for HB 2573** by adding the provisions of **SB 551, reporting requirements as a condition of claiming tax credits**, into it. Senator Donovan seconded the motion, and the motion passed.

Senator Jordan moved to recommend **Senate Sub for HB 2573** favorably for passage. Senator Donovan seconded the motion, and the motion passed.

CONTINUATION SHEET

MINUTES OF THE Senate Assessment and Taxation Committee at 3:08 PM on May 1, 2005 in Room 241-N of the Capitol.

**HB 2619, property tax exemption for certain commercial and industrial machinery and equipment, materials and supplies**, was discussed. A suggestion to mitigate some of the m and e costs was presented by Senator Donovan. (Attachment 2) He suggested changing the effective date, lowering the mitigation formula percentages, reducing the homestead refund fiscal note, and reducing income tax credits to 15%. Several concerns were expressed concerning this proposal.

Harriet Lange, Kansas Association of Broadcasters, testified to the need of temporary property tax relief on digital broadcast equipment. (Attachment 3)

Chairman Allen announced that the Committee would meet May 2 upon first recess of the Senate. Being no further business, the Committee adjourned.