

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on January 10, 2006 in Room 519-S of the Capitol.

All members were present except:
Representative Nile Dillmore - excused

Committee staff present:
Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:
None

Others attending:
See attached list.

The Chairman welcomed the members to the 2006 Taxation Committee session. The Chairman recognized the newest member of the Taxation Committee, Representative Steve Lukert. After Committee members introduced themselves, Representative Owens introduced his intern, Linda Zindler, who also serves as a Council member at DeSota. Representative Gordon introduced Rachel Barnes, her intern who is attending Kansas University. Representative O'Malley introduced his intern, Bryan Young, a senior at Kansas University. Representative Kinzer introduced Joshua Ney, his intern who is also a senior at Kansas University.

The Chairman called for bill introductions.

Representative Davis made a motion that a Committee bill be introduced that would provide a sales tax exemption for personal property purchased by and sold by homeless shelters. It was seconded by Representative Kirk and the motion carried.

Representative Gordon moved that a Committee bill be introduced regarding sales taxes on green fees. Chairman Wilk seconded. The motion carried.

Chris Courtwright briefed the members on the Special Committee activities during the 2005 interim session (Attachment 1).

He explained background, Committee activities, and the Conclusions and Recommendations made by the Committee on the following four Study Topics: Analysis of State and Local Tax Policy, Motor Vehicle Taxes, Tax Treatment of Not-For-Profit Entities and Property Tax Valuation of Historic Property.

Martha Dorsey provided briefings on the two topics: Excise Tax or Licensure Tax on Sexually Oriented Businesses and Tax Treatment of Not-for-Profit Entities.

Chris Courtwright explained the State General Fund Receipts for FY 2006 (Revised) and FY 2007 (Attachment 2). For FY 2006, the estimate was increased by 4.5 percent above the previous estimate and the overall revised estimate represents a 6.5 percent growth forecast above actual FY 2005 SGF receipts.

The Kansas economy is expected to continue to grow at a relatively robust rate for the balance of FY2006 as the state continues to recover from the recession. Although economic growth is expected to continue throughout FY 2007 and beyond, the rate of growth will be declining.

The Chairman emphasized the importance of the report and urged the committee to review the report at their leisure.

The meeting adjourned at 10:55 A.M. The next meeting is January 11, 2006.