

## MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 9:00 a.m. on February 5, 2009, in Room 535-N of the Capitol.

All members were present.

## 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:

Dan Jacobsen, President, AT&T Kansas  
Mark Beshears, Vice-President State and Local Tax, Sprint  
John Cmelak, Vice-President State Tax Policy (Written testimony only)  
Kent Eckles, Kansas Chamber of Commerce  
Richard Cram, Kansas Department of Revenue

## Others attending:

See attached list.

## Introduction of bills:

Representative Carlson made a motion on behalf of Representative Brunk, to introduce two bills. They are:

1. Sales tax exemption for Goodwill Easter Seals.
2. Change the way partner complexes are assessed.

Representative King seconded the motion. The motion carried.

Representative Carlson, on behalf of Representative Shirley Palmer, introduced a bill to exempt Resource Development from sales tax. Representative Menghini seconded the motion. The motion carried.

Representative King, on behalf of Representative Don Hill, introduced a bill to create four separate license plates. Representative Menghini seconded the motion. The motion carried.

Representative Menghini made a motion to introduce a bill allowing senior citizens to pay their taxes quarterly instead of biannually. Representative Frownfelter seconded the motion. The motion carried.

There being no further introductions, the Chairman opened the hearing on **HB 2079**.

**HB 2079** - Sales tax refund on certain purchasers of telecommunications machinery and equipment.

Staff member Chris Courtwright briefed the committee members on **HB 2079** (Attachment 1) and stood for questions.

Dan Jacobsen, President of AT&T Kansas, testified in favor of **HB 2079** (Attachment 2). He stated that the passage of the bill would encourage companies to invest more in the Kansas telecommunications infrastructure. Investment in modernization of telecommunication is necessary to be competitive in today's market.

Mr. Mark Beshears, Sprint, testified in favor of **HB 2079**. He cited info on the wide range of ways in which technology has progressed and helped our economy (Attachment 3). The passage of this bill will free up capital to spend more on improvements in technology and telecommunication networks. Mr. Beshears stood for questions.

Kent Eckles, Kansas Chamber of Commerce stood for questions on his written testimony (Attachment 4).

Representative Richard Carlson, called attention to the written testimony from John Cmelak, Vice-President - State Tax Policy, in favor of **HB 2079** (Attachment 5).

## CONTINUATION SHEET

Minutes of the House Taxation Committee at 9:00 a.m. on February 5, 2009, in Room 535-N of the Capitol.

Richard Cram, Kansas Department of Revenue, testified in opposition to **HB 2079**. A memo from the Department of Revenue to the Department of Budget, dated February 3, 2009, summarizes their concerns. If the telecommunication companies are exempt on their purchases of machinery and equipment, it would be anticipated that other industries (such as utility companies) would request the same exemption or refund on their machinery and equipment purchases. The question to ask is whether the State can afford to do any tax cutting in the current environment (Attachment 6). Mr. Cram stood for questions.

The Chairman closed the hearing on **HB 2079**. The next meeting is scheduled for February 9, 2009.

The meeting was adjourned at 10:05 a.m.