

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 9:00 a.m. on February 12, 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:

Representative Pat Colloton
Richard Cram, Kansas Department of Revenue
Kevin Flory, Kansas State Firefighters Association
Randall Allen, Kansas Association of Counties (Written only)

Others attending:

See attached list.

Representative Kleeb introduced his intern, Chris Ikenberry, from Butler County Community College.

Bill Introduction:

Representative Powell made a motion to introduce a bill for a sales tax exemption on behalf of Kansas Hunters Feeding the Hungry. Representative Wolf seconded the motion. The motion carried.

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

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

Representative Colloton testified in support of **HB 2176**, which was heard February 11, 2009 (Attachment 1). The non-profit group provides tennis instruction and school mentoring for children who are participating in inner city federal programs.

Chairman Carlson closed the hearing on **HB 2176** and opened the hearing on **HB 2192**.

HB 2192 - Sales tax exemptions for Kansas State Firefighters Association.

Chris Courtwright, Kansas Legislative Research Department, briefed the committee on **HB 2192**.

Kevin Flory, Kansas State Firefighters Association, testified in support of **HB 2192** (Attachment 2). Mr. Flory stated that he was in front of the committee representing 16,000, paid and volunteer, Kansas firefighters. In his testimony he stated that the passage of **HB 2192** would allow their association to continue to provide free quality training to Kansas firefighters.

Richard Cram, Kansas Department of Revenue, testified in opposition to **HB 2192** (Attachment 3). Mr. Cram stated in his testimony that the granting of this exemption will generate many similar requests and will cause further erosion of the sales tax base. The state can ill afford the revenue loss.

Randall Allen, Kansas Association of Counties, submitted written testimony, in opposition to **HB 2192** (Attachment 4). In his written testimony he stated that the since State General Fund budget is in a deficit mode, it seemed incongruous to grant further exemptions to the tax base.

Chairman Carlson closed the hearing on **HB 2192**.

Chairman Carlson announced to the committee bills to be worked today are **HB 2172**, **HB 2079**, **HB 2173** and **HB 2174**.

CONTINUATION SHEET

Minutes of the House Taxation Committee at 9:00 a.m. on February 12, 2009, in Room 535-N of the Capitol.

HB 2172 - Permanent exclusion from sales taxation of certain cash rebates on sales or leases of new motor vehicles.

Representative King made a motion to favorably pass **HB 2172**. The motion was seconded by Representative Schwartz. The motion carried.

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

A motion was made by Representative Siegfried to favorably pass **HB 2079** and seconded by Representative Wolf. Discussion ensued.

A substitute motion was made by Representative Menghini and seconded by Representative Dillmore to table the bill. A vote was taken, 9 in favor and 12 in opposition. The motion failed. Discussion continued.

Back on original motion - Representative Siegfried moved the original motion to favorably pass **HB 2079**. The Chairman asked a vote be taken. Seventeen members voted in support and four opposed. The motion carried.

HB 2173 - Income tax credit for certain adoption expenses.

Chris briefed the committee on **HB 2173**. He stated the fiscal note is \$200,000.

Representative Powell made a motion to pass out favorably **HB 2173**. The motion was seconded by Representative Kleeb. Discussion ensued

A substitute motion to table **HB 2173** was made by Representative Menghini and seconded by Representative Benlon. The Chairman asked for a vote on the substitute motion. Thirteen were in support and nine in opposition. The substitute motion passed to table **HB 2173**.

HB 2174 - Exclusion of certain social security benefits from Kansas adjusted gross income for income tax purposes for married couples filing a joint return or separate returns.

Chris briefed the committee on **HB 2174**. The FY 2010 fiscal note for this bill would be approximately \$10 million.

A motion to table **HB 2174** was made by Representative King and seconded by Representative Menghini. The motion carried. Representatives Goico and Powell wanted to record their no vote.

A motion was made by Representative Goico to take **HB 2174** off the table. Representative Powell seconded the motion.

After continued discussion, Representative Goico withdrew his motion. Powell withdrew the second. The motion to table **HB 2174** stands.

Representative Goico requested a bill introduction relating to deduction of social security benefits as a modification of **HB 2174**. The motion was seconded by Representative Goyle. The motion carried.

The next meeting is scheduled for February 13, 2009.

The meeting was adjourned at 10:15a.m.