

## House Concurrent Resolution No. 5028

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By Committee on Taxation

1-27

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11 A CONCURRENT RESOLUTION establishing a three-year morato-  
12 rium on the granting of new tax exemptions, tax credits or economic  
13 development incentive programs involving employer withholding  
14 taxes.

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16 WHEREAS, State and local tax revenues of \$11.77 billion for FY 2009  
17 were 3.63% less than state and local tax revenues of \$12.22 billion for FY  
18 2008, and were also less than state and local tax revenues of \$11.81 billion  
19 for FY 2007; and

20 WHEREAS, The November 2009 Consensus Revenue Estimate of  
21 State General Fund receipts for FY 2010 is \$5.3 billion, which is 5.2%  
22 less than actual State General Fund receipts for FY 2009; and

23 WHEREAS, The November 2009 Consensus Revenue Estimate of  
24 State General Fund receipts for FY 2011 is \$5.18 billion, which is 2.3%  
25 less than the November 2009 Consensus Revenue Estimate of State Gen-  
26 eral Fund receipts for FY 2010; and

27 WHEREAS, The number of new property tax exemptions, sales tax  
28 exemptions, tax credits, and economic incentive programs involving the  
29 use of employer withholding taxes enacted has escalated significantly  
30 within the past 15 years in both number and dollar amount; and

31 WHEREAS, The significant growth in such new exemptions, credits  
32 and programs must cease until the policies underlying such growth can  
33 be examined in depth; and

34 WHEREAS, During this time of unprecedented multi-year reductions  
35 in state and local tax revenues, the need is even more acute to halt such  
36 growth and review the current policies for granting new property tax and  
37 sales tax exemptions, tax credits and economic development incentive  
38 programs involving the use of employer withholding taxes; Now,  
39 therefore:

40 *Be it resolved by the House of Representatives of the State of Kansas,*  
41 *the Senate concurring therein:* That, for tax years 2010, 2011 and 2012,  
42 there shall be a moratorium on the granting of any new property tax  
43 exemptions, sales tax exemptions, tax credits or economic development

1 incentive programs involving the use of employer withholding taxes by  
2 the Legislature of the State of Kansas; and  
3 *Be it further resolved:* That any new property tax, sales tax exemption  
4 or tax credit granted thereafter shall include provisions for the sunset of  
5 such exemption within three years.