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Minutes of the House Committee on Assessment and Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 9:00 a.m. on February 14, 1986 in room 519 South at the Capitol of the State of Kansas.

The following members were absent (excused):

Representatives Leach and Erne

Committee staff present:

Tom Severn, Legislative Research Melinda Hanson, Legislative Research Don Hayward, Reviser of Statutes Millie Foose, Committee Secretary

The Chairman called for general discussion of HB-2802 concerning tax abatement of facilities constructed by new manufacturing businesses. Committee members expressed concerns about the mandate on local units of government. The Committee discussed the constitutionality of various forms of the bill, constitutional amendments to address the local option question and implications on school finance. The Chairman requested committee members consider various suggestions for action during the upcoming week.

HB-2779. Representative Wunsch moved, second by Representative Roe, that the bill be conceptually amended to clarify the effective date of the act and clarify the scope of the exemption." The motion carried. Representative Wunsch moved, second by Representative Smith, that the bill be made retroactive to December 31, 1982. The motion failed. Representative Ott moved, second by Representative Wagnon, that bill be retroactive for all tax years after December 31, 1984. The motion carried. Representative Wunsch moved, second by Representative Moomaw, that the bill be reported favorably as amended. The motion carried.

HB-2767. Representative Lowther moved, second by Representative Fox that the <u>bill</u> <u>be</u> <u>amended</u> <u>to</u> <u>allow</u> <u>the</u> <u>exemption</u> <u>from</u> <u>the</u> <u>sales</u> <u>tax</u> <u>all</u> <u>goods</u> <u>purchased</u> <u>with</u> <u>food</u> <u>stamps</u>. The motion carried. Representative Lowther moved, second by Representative Wunsch, <u>that</u>  $\underline{\text{HB-2767}}$  <u>be</u> <u>reported</u> <u>favorably</u>, <u>as</u> <u>amended</u>. The motion carried.

HB-2545. Representative Fox moved, second by Representative Jarchow, that the bill be reported adversely. The motion failed. Representative Van Crum moved, second by Representative Smith, that the bill be conceptually amended to exempt all janitorial services. The motion was withdrawn. Representative Lowther moved, second by Representative Wagnon, that the bill be reported favorably. The motion carried.

The Chairman presented two bill requests regarding sales tax exemptions for interstate telephone calls and income tax conformity for medical deductions. Representative Patterson moved, second by Representative Aylward, that the requested bills be introduced. The motion carried.

The minutes of the meetings of February 12 & 13 were reviewed. Several technical amendments were presented. The minutes were approved as amended.

There being no further business to come before the committee, the meeting was adjoured.

Ed C. Rolfs, Chairman