

Approved: April 1, 1994
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Chairman Lana Oleen at 2:40 p.m. on February 18, 1994 at the Rail of the Capitol.

Members present:

Sens. Oleen, Praeger, Tillotson, Hensley, Gooch, Ramirez, Jones

Sen. Oleen distributed two proposals for introduction. They are: Proposal for income tax credits for retired military personnel (Attachment 1) and Proposal for refunds for retired military personnel (Attachment 2).

Sen. Tillotson made a motion the proposals be introduced as bills, and it was seconded by Sen. Ramirez; the motion passed.

Meeting adjourned at 2:45.

MEMBERS COPY

SENATE BILL NO. 811

By Committee on Federal and State Affairs

AN ACT relating to income taxation; providing for refundable income tax credits for certain retired military personnel.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) There shall be allowed as a credit against the tax liability of a qualified individual imposed under the Kansas income tax act an amount equal to the refundable credit amount. For each of the taxable years commencing after December 31, 1993, and before January 1, 1998, the amount equal to 25% of such credit amount shall be deducted from the tax liability of the qualified individual. The amount by which such credit amount exceeds the tax liability of a qualified individual for any such taxable year shall be refunded to such individual.

(b) As used in this section:

(1) "Qualified individual" means a taxpayer who, in contravention of the holding in *Barker v. Kansas*, 112 S.Ct. 1619 (1992), actually paid tax upon retirement benefits received for service in the armed forces of the United States; and

(2) "Refundable credit amount" means that portion of tax actually paid by a qualified individual pursuant to the Kansas income tax act for taxable years 1984 to 1991, inclusive, which is attributable to retirement benefits received for service in the armed forces of the United States, and the interest accrued or accruing thereon, as calculated by the Kansas department of revenue.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

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Attachment #1

SENATE BILL NO. 812 MEMBERS COPY

By Committee on Federal and State Affairs

AN ACT relating to income taxation; providing refunds for certain retired military personnel.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) Upon receipt by the director of taxation of the Kansas department of revenue of a claim therefor upon a form devised and provided for such purpose, there shall be allowed as a refund to a qualified individual an amount equal to that portion of tax actually paid by a qualified individual pursuant to the Kansas income tax act for any or all of the taxable years 1984 to 1991, inclusive, which is attributable to retirement benefits received for service in the armed forces of the United States, and the interest accrued thereon, as calculated by the department.

(b) As used in this section, "qualified individual" means a taxpayer who, in contravention of the holding in *Barker v. Kansas*, 112 S. Ct. 1619 (1992), actually paid tax upon retirement benefits received for service in the armed forces of the United States.

(c) Upon determining the refund amount to be allowed to a qualified taxpayer pursuant to subsection (a), the director shall certify to the director of accounts and reports the name and address of the taxpayer and the amount of refund. Upon receipt of such information, the director of accounts and report shall issue a warrant on the state treasurer for the payment of the refund amount to the taxpayer.

(d) If a qualified individual is deceased, and the director determines that a refund is due pursuant to the provisions of subsection (a) upon a claim made on behalf of the estate of the deceased, or in the absence of any such claim, upon a claim of the surviving spouse, and if none, upon the claim of any heir at

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law, the director shall certify to the director of accounts and reports the name and address of the claimant entitled to the refund and the amount of the refund. Upon receipt of such information, the director of accounts and reports shall issue a warrant on the state treasurer for the payment of the refund amount to the claimant.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.