Approved: March 28, 2012

(Date)

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Richard Carlson at 3:41 pm on Wednesday, February 15, 2012 in Room 783 of the Docking State Office Building.

Members excused were:

Representative Denning

Committee staff present:

Scott Wells, Office of the Revisor of Statutes Chuck Reimer, Office of the Revisor of Statutes Chris Courtwright, Kansas Legislative Research Department Chris Sevedge, Kansas Legislative Research Department Allen Jeffus, Office Assistant Phyllis Fast, Committee Assistant

Conferees appearing before the Committee:

Representative Richard Carlson, from the 61st District Luke Bell, Kansas Association of Realtors Doug Wareham, Kansas Bankers Association Jason Watkins, Wichita Metro Chamber of Commerce Dan Murray, National Federation of Independent Business Barbara Rankin, Acting Kansas Secretary of Transportation Bob Vancrum, Kansas City Chamber of Commerce

Others attending: See attached list.

Chairman Carlson opened the hearing on:

HB 2747 - Taxation, rate reduction for income and privilege tax based state general fund receipts computations; income tax, deductions, credits and income determination; distribution of sales and use tax revenue; severance tax exemption; and rural opportunity zones.

Chris Courtwright briefed the Committee on <u>HB 2747</u> by providing an overview of the House Republicans tax reform bill, <u>HB 2747</u>, as a derivative of Governor Brownback's tax reform bill.

Representative Carlson testified in support of <u>HB 2747</u>, by describing in further detail the differences between the House Republicans' tax reform bill, <u>HB 2747</u>, and Governor

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CONTINUATION SHEET

Minutes of the HOUSE TAXATION Committee at 3:41 PM on Thursday, February 15, 2012 in 783-DSOB.

Brownback's tax reform bill, the major differences being the phasing out of specific taxes over a period of years in lieu of the Governor's shorter schedule. (Attachment 1) He stood for questions.

Luke Bell testified in support of <u>HB 2747</u> because the bill provides "comprehensive, equitable and meaningful income tax relief for all Kansas taxpayers and creates economic development opportunities for Kansas families and businesses". (<u>Attachment 2</u>) He stood for questions.

Doug Wareham testified in support of <u>HB 2747</u>. (<u>Attachment 3</u>) He stood for questions.

Jason Watkins testified in support of <u>HB 2747</u>, requesting the Department of Transportation funds not be jeopardized. (Attachment 4) He stood for questions.

Dan Murray testified in support of <u>HB 2747</u>, pointing out that his organization supports reduced taxes for small businesses, citing that an abundant amount of small businesses has been lost in recent years. (<u>Attachment 5</u>) He stood for questions.

Written only testimony in support of <u>HB 2747</u> was presented by Kent Eckles, Kansas Chamber. (Attachment 6)

Secretary Barbara Rankin testified as neutral for <u>HB 2747</u>, by advocating the needs of the Department of Transportation, the backbone of economic development and job creation in Kansas. She cautioned the Committee on reducing funds to KDOT, specifically citing a shortfall to the T-WORKS program. (<u>Attachment 7</u>) She stood for questions.

Robert Vancrum presented neutral testimony for <u>HB 2747</u>, emphasizing the need to maintain sufficient funding for the Kansas Department of Transportation. (<u>Attachment 8</u>) He stood for questions.

After all questions from the Committee were answered, Chairman Carlson closed the hearing on <u>HB 2747</u>.

The next meeting of the Committee is scheduled for 3:30 pm, February 16, 2012, in 783-DSOB to hear testimony in opposition to <u>HB 2747</u>.

The meeting was adjourned at 5:25 pm.

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