

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 10:40 a.m. on February 23, 2004, in Room 123-S of the Capitol.

All members were present except:

Senator Henry Helgeson- excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Jill Wolters, Senior Assistant, Revisor of Statutes
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Joan Wagon, Secretary, Kansas Department of Revenue

Others attending:

See Attached List.

Bill Introduction

Senator Downey moved, with a second by Senator Jackson, to introduce a bill concerning income taxation; relating to Kansas net operating losses; refunds (3rs1968). Motion carried on a voice vote.

Briefing on the Computer-Assisted Mass Appraisal (CAMA)

Chairman Morris welcomed Joan Wagon, Secretary, Kansas Department of Revenue, who briefed the committee on the new CAMA System (Attachment 1). The current CAMA system is nearing 20 years and its future viability is questionable, particularly in the mainframe counties. A viable system must be sought. Rather than write the program from scratch, the Department of Revenue determined that it would be beneficial to seek an existing system that could be modified to meet the needs of Kansas.

Briefing on the Kansas Tax Amnesty Program Results

Secretary Joan Wagon briefed the committee on the Kansas Tax Amnesty 2004 program results, with the final report forthcoming (Attachment 2). She distributed the following information to the committee:

- Kansas Department of Revenue Accounts Receivable, Chart Indicates AR for "All Tax Types" ACM and Legacy Tax Types Combined (Attachment 3)
- Copy of a letter addressed to Senator Morris from Secretary Wagon regarding Summary of Department Disclosure and Collections Initiatives and Department-Supported Collections Initiatives (Attachment 4)

Secretary Wagon mentioned that Tax Amnesty lapped over two fiscal years beginning on February 9, 2003, and concluded on December 1, 2003. She explained that Tax Amnesty was broken into two phases. The first phase extended from February 9, 2003, until October 1, 2003, for disputed settlements either in litigation or audit. The second phase was for final assessments where there were no disputes and the person's taxes had not been paid. They had a 60 day period in which to pay. The total was approximately \$54 million dollars in taxes brought in. Total amnesty was granted to a total of 15,000 people.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2004 and FY 2005

CONTINUATION SHEET

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were available to the committee.

Subcommittee budget report on:

Kansas Department of Revenue (Attachment 5)

Subcommittee Chairman Morris reported that the subcommittee on the Kansas Department of Revenue concurs with the Governor's recommendation in FY 2004 with additional adjustments and comments and concurs with the Governor's FY 2005 recommendations with adjustments and comments.

Senator Salmans moved, with a second by Senator Downey, to adopt the subcommittee budget report on the Kansas Department of Revenue in FY 2004 and FY 2005. Motion carried on a voice vote.

The meeting adjourned at 11:25 a.m. The next meeting is scheduled for February 24, 2004.