

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairperson Caryn Tyson at 12:00 pm on Monday, March 25, 2024, in room 144-S.

All members were present

Committee staff present:

Amelia Kovar-Donohue, Office of Revisor of Statutes
Edward Penner, Legislative Research Department
John Gauntt, Kansas Legislative Committee Assistant
Mike Ditch, Legislative Research Department

Conferees appearing before the Committee:

No conferees present

Others in attendance:

No list available

Approval of Committee minutes

Vice Chairman Peck made a motion to approve the Committee minutes of January 10; 11; 17; 18; 23; 24; 25; 30; 31 February 1; 6; 7; 8; 13; 14; 15; 19; 20 March 5; 6; 7; 11; 12. Second by Senator Erickson. Motion carried.

Possible action on bills previously heard

SB536 - Requiring political subdivisions to adopt a budget that remains at or below revenue neutral and use funds to reduce property tax in order to receive local ad valorem tax reduction fund (LAVTRF)

Amelia Kovar-Donohue provided an overview of the bill. Vice Chairman Peck made a motion to strip the contents of **HB2026** and insert **SB536** as a Senate substitute bill. Second by Senator Baumgardner. Motion carried. Ranking Senator Holland, Senator Corson, and Senator Reddi voted no. Vice Chairman Peck made a motion to change the dual payment to a single payment in January. Second by Senator Erickson. Motion carried. Chairman Tyson made a motion to insert language from **SB94** regarding the City County Revenue Sharing Fund and the Special City County Highway Fund. Second by Vice Chairman Peck. Motion carried. Vice Chairman Peck made a motion to pass out Senate substitute for **HB2026** favorably. Second by Senator Erickson. Motion carried. Ranking Senator Holland, Senator Corson, and Senator Reddi voted no.

SB546 - Decreasing the corporate income tax rate, discontinuing tax credits of the high performance incentive program and payroll withholding tax benefits of the promoting employment across Kansas act and repealing certain unused tax credits.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on Assessment and Taxation at 12:00 pm on Monday, March 25, 2024, in room 144-S.

Amelia Kovar-Donohue provided an overview of the bill. *Chairman Tyson made a motion to remove High Performance Incentive Program (HPIP) and any current Promoting Employment Across Kansas Act (PEAK) programs from the bill and allow sunset provisions for all other programs. Second by Senator Petersen. Motion carried. Vice Chairman Peck made a motion to strip the contents of HB2201 and insert SB546 as amended for a Senate substitute bill. Second by Senator Erickson. Motion carried. Ranking Senator Holland and Senator Corson voted no. Vice Chairman Peck made a motion to pass out Senate substitute for HB2201 favorably. Second by Senator Erickson. Motion carried. Ranking Senator Holland, Senator Corson, and Senator Reddi voted no.*

SB507 - Providing for the apportionment of business income by the single sales factor and requiring the use of single sales factor pursuant to the multistate tax compact.

Amelia Kovar-Donohue provided an overview of the bill. *Vice Chairman Peck made a motion to amend SB507 to give businesses a two year phase-in option. Second by Chairman Tyson. Motion carried.*

SB421 - Providing a sales tax exemption for Exploration Place, Inc

Senator Blasi made a motion to strip the contents of HB2819 and insert the contents of SB421 for a Senate substitute bill. Second by Senator Petersen. Motion carried. Senator Blasi made a motion to pass out Senate substitute for HB2819 favorably. Second by Senator Petersen. Motion carried.

SB306 - Including losses from investments in technology-enabled fiduciary financial institutions in Kansas adjusted gross income for income tax purposes

Ranking Senator Holland made a motion to pass out SB306 favorably. Second by Senator Baumgardner. Motion carried.

The Committee reconvened at 4:15 PM. Minority Leader Sykes replaced Ranking Senator Holland.

SB30 - Increasing the Kansas standard deduction by a cost-of-living adjustment for income tax purposes.

Amelia Kovar-Donohue provided an overview of the bill. *Vice Chairman Peck made a motion with a conceptual amendment to update the applicable dates and to provide an annual cost of living adjustment for the personal exemption. Second by Chairman Tyson. Motion carried. Vice Chariman Peck made a motion to pass out SB30 as amended favorably. Second by Senator Erickson. Motion carried.*

SB110 - Exempting all social security benefits from Kansas income tax.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Committee on Assessment and Taxation at 12:00 pm on Monday, March 25, 2024, in room 144-S.

Amelia Kovar-Donohue provided an overview of the bill. Senator Blasi made a motion to update the dates in the bill, and to take effect in tax year 2024. Second by Senator Baumgardner. Motion carried. Senator Blasi made a motion to pass out **SB110** as amended favorably. Second by Senator Baumgardner. Motion carried.

SB435 - Providing a sales tax exemption for period products, diapers and incontinence products.

Amelia Kovar-Donohue provided an overview of the bill. Senator Corson made a motion to pass out **SB435** as amended favorably. Second by Senator Baumgardner. Motion carried.

Meeting adjourned at 4:36 PM.