

## SPECIAL COMMITTEE ON ASSESSMENT AND TAXATION

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### House

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### Kansas Legislative Research Department

Chris Courtwright, Martha Dorsey  
Judy Swanson, Committee Secretary

### Revisor of Statutes Office

Gordon Self, Scott Wells

### TOPICS

1. **Corporate Income Tax Shelters.** Review a number of corporation income tax shelters and shelters brought to the attention of the 2007 tax committees, including those addressed in the proposed "Dillmore amendment" to HB 2495.
2. **Sales Tax Exemptions.** Study a proposal that would establish a uniform statewide policy with respect to sales tax exemptions for not-for-profit groups and entities. Make recommendations deemed appropriate to the 2008 Legislature.
3. **Property Tax Payment Date.** Consider allowing taxpayers the option of paying their entire property tax bill in January of the following year (as an alternative to current law, which requires the first half payment by December 20 and the second half by May 10). Authorizing the "bunching" of property tax payments for federal and state income tax planning purposes has been suggested by tax preparers.
4. **Property Tax Deferral.** Study the implications of allowing certain taxpayers to enter into a property tax deferral program such as the one proposed in 2007 HB 2298. Make recommendations as to whether any such proposal should be an alternative to or supplemental to the current Homestead Program.
5. **Income Tax Withholding.** Review the current individual income tax withholding tables and requirements utilized by the Department of Revenue and determine whether the tables adequately reflect the appropriate amounts that should be withheld from most taxpayers.
6. **Local Sales Tax Authority.** Study the current formulas relating to the disaggregation of revenues for countywide sales taxes and recommend whether counties in the future should have the option of retaining all such revenues. Also recommend whether counties should be granted additional local sales tax authority similar to that granted to cities in 2006.
7. **Tax Relief for Storm-Damaged Property.** Study potential legislation that would authorize the Director of Property Valuation, upon a declaration of a weather-related disaster by the Governor and President that has destroyed more than 50 percent of any taxing subdivision's assessed valuation prior to June 1, to authorize a valuation adjustment for all affected real estate. Also study a potential provision that

would authorize special payments from the Statewide Maintenance and Disaster Relief Fund be made to hold harmless all affected taxing units for the given tax year, plus an additional year to prevent mill levies from being driven up during the rebuilding process. Review whether such property tax relief might more easily be administered as a form of refundable income tax credits or some other methodology. Finally, consider whether any such legislation should be made retroactive to tax year 2007 to help the citizens of Greensburg and surrounding areas.

8. ***Corporation Income Tax Credits.*** Study potential legislation that would authorize a unitary group of corporations for income tax purposes to allow any of the subsidiary corporations to claim income tax credits earned by the parent corporation.
9. ***Property Taxes on Newly Constructed Residential Property.*** Conduct a comprehensive review of the process by which property taxes on newly-constructed residential property are assessed. Study 2007 HB 2543 which provides that the assessed valuation for newly-constructed residential property should not be imposed until the first day of the month following the date of occupancy.