

May 5, 2009



“I support Tax Amnesty as it gives individuals and businesses an incentive to clear their books without penalties, while generating needed revenue for the state.”

Senator Lynn

Julia's CapBiz

Dear Friends and Supporters:

We returned to gavel on Monday, May 4th, and will consider several items for the Omnibus Budget Bill. These items are being considered in order to fill a \$328M gap. Many items on the now infamous “ugly list” of cuts are now being considered. In Senate Tax we heard testimony on the following measures to produce an estimated additional \$113M to help fill the gap. These will come to the Senate Floor for debate and final action this week.



Lucas Vincent, State Wrestling Champion from Olathe North was recognized on the Senate Floor

SB 337 TAX AMNESTY - This would forgive penalties and interest on certain unpaid taxes if the liability is paid in full from October 1, 2009 to December 31, 2009. Includes income and estate taxes: withholding; sales and use taxes; financial institution privilege taxes, cigarette, liquor and drink taxes and severance taxes. An estimated \$22M may be raised. I support this measure as it gives individuals and businesses an incentive to clear their books without penalties.

UPCOMING PUBLIC SCHEDULE FOR MAY 4-10, 2009

Daily, 10:00 a.m. — Session General Orders and Final Action on all Considerations

Fri., May 8th — Special Invitation

- Senate Resolution honoring Ed and Judy Colson for over 60 years of combined service to the Olathe School District Band Program and their retirement.
- Senate Resolution honoring the Olathe North Culinary Team for placing second overall at the National Culinary Competition in San Diego.

I invite parents, students, friends, family and staff to join us as we celebrate these important milestones on the Senate Floor. Please contact my office at 785-296-7394 to receive e-mail instructions and directions for Friday May 8th!

Sun., May 10th — Possible Session and Final Action



K-State men (my son Robbie, bottom right) received a visit from me after attending the Landon Lecture

“We must work to protect private industry job growth so that tax revenues can grow.”

Senator Lynn

SB 334 Estate Tax and Corporate Franchise Tax - This would effectively “freeze” the estate tax from 2008 to 2011, keeping the tax in place and delaying implementation of the scheduled phase-out enacted last year until 2012. An estimated \$5M may be raised for the 2010 budget and rising to \$18M in FY 2012. I oppose this measure as Kansas is one of only 10 states with this draconian tax in place. It is a dis-incentive for small and family owned business representing 95% of Kansas business. This tax is computed on property tax values which are dropping during the current economic downturn. Receipts should likely be less than anticipated.

The Corporate Franchise Tax was the third tax enacted in the state’s history in 1866. It is simply a tax for the privilege of doing business in Kansas and can be quite substantial. The 2007 legislature enacted a phase out of the tax in four years, which I supported. Should SB 334 be enacted the rates would be frozen at 2008 levels and then repealed altogether. I have grave concerns about this measure as Kansas ranks 38th in the nation on tax competitiveness and 33rd in overall business climate. Unemployment in Kansas is at a 26 year high and growing. A healthy and competitive business climate that stimulates job growth is the solution to growing our state revenues. Deliberately placing obstacles in the way of those who may be considering moving to Kansas or expanding here at a time when jobs are at stake would be short-sighted. I will oppose this measure in committee and on the Senate Floor.

SB 338 – Disposition of Liquor and Drink Tax – This measure changes disposition of revenue for liquor and drink taxes for FY2010 by diverting \$9M for local Parks and Recreation programs to the State General Fund. Should the funding be eliminated this year it is doubtful that it would return in later years. This means local governments will be forced to find other funding sources including tax and fee increases. As I listened to testimony and continue to study the impact on local governments I will be forced to weigh this issue alongside other equally important quality of life measures that come before the legislature. This measure provides a perfect example of why we must work to protect private industry job growth so that tax revenues can grow to support a possible cut such as this. Quality of life is dependent upon constant business expansion and job growth.



A group from “Invisible Kansans” visiting on disability issues.

“Decoupling Kansas income tax law from new Federal laws in the ARRA would burden our economic recovery.”

Senator Lynn

This next week we will be considering **SB 335** which would decouple Kansas income tax law from the new federal law (the American Recovery and Reinvestment Act (ARRA)). This would put Kansas at a severe disadvantage and further burden our effort to recover from the economic downturn by repressing business purchasing and expansion. I will oppose decoupling.



Clark Thomas a Freshman at Prairie Trail Jr. High was honored on the Senate Floor as the State Diving Champion

HB 2374 seeks to expand eligibility criteria for unemployment

compensation so we can tap additional federal stimulus dollars. My concern is that this will charge employers with funding the expansion after the stimulus dollars run out. I oppose this. This hits small business especially hard and coupled with legislation passed last year shifting continuation of benefits administration from insurance companies to employers we seem to be placing business in the position to fill the budget gap. I am concerned that this will cause employers to lay off workers, cut health care and other benefits, stop investing, and reduce spending – all terrible options in a recession.

There is also talk of “fee fund sweeps” to fill in the gap. This is a short term measure that will ultimately cost professionals and business to increase fees and regulations. Any sweep is simply a tax shift which targets the business and assesses an additional fee for the privilege of doing business in Kansas..

This will be a tough week for everyone in the Kansas Legislature. Please feel free to contact my office at 785-296-7394 or email me your concerns and thoughts. I appreciate your patience and thoughtful comments on email as well at Julia@senatorjulialynn.com.

As usual I will be using Twitter frequently this week to keep you informed of the latest news bites. You may follow me by signing up through my website at www.senatorjulialynn.com.

Thank you for the privilege of serving you!

Julia



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Senator Julia Lynn is in her second term in the Kansas Senate.

Prior to serving the Kansas citizens of the 9th District, Julia was adjunct professor at Penn Valley Community College teaching Therapeutic Communications in the Medical Office Program and an entrepreneur establishing start-up business in sales development, personal branding for women executives, and developed the advertising and sales program for KU Medical Center's physician magazine.

She has over 25 years experience in health care marketing and public relations working for Salina Regional Medical Center, St. Luke's Hospital Foundation, and Medical Center of Independence. She consulted nationally in Chicago for well-known entrepreneur KE Peterson.

After receiving her BA in Political Science from KU, Julia worked in Topeka for Secretary of State Jack Brier. Julia has been married to her husband Jeff for 20 years. They have two children, one in Olathe Northwest High School and one a freshman at Kansas State University. The Lynn's are members of Colonial Presbyterian Church.

How to Reach me through Social Networking

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Link to Summarized Bills and Bill Briefs

Many individual bills that pass both houses get placed in Conference Committees towards the end of the session. Bills that are "germane" or of like subject matter are negotiated between the two houses.

A great link to see a full summary of conference committee reports, summarized bills and bill briefs can be found at <http://skyways.lib.ks.us/ksleg/KLRD/ConfCommBriefs.htm>