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May. 25, 2013

Negotiations between House and Senate Republicans over tax-cutting proposals crashed Thursday morning as Senate leaders moved ahead to potentially vote on a new plan that House leaders say they haven't seen yet.

The anticlimactic meeting came on the final day of the scheduled legislative session. Rep. Richard Carlson, R-St. Marys, said the conversations may be moot because Senate Republicans are said to be pushing through another tax plan during a floor debate later Thursday.

Wichita Republican Sen. Les Donovan said he was disappointed that the House Republicans wouldn't budge from their long-standing position of continuing only half of the six-tenths of a cent sales tax. The Senate and Gov. Sam Brownback have strongly backed a proposal to continue the 6.3 percent sales tax rate enacted during the recession and set to expire in July.

Donovan said he still has some confidence, but his comments indicated there's little hope for a pleasing solution for House and Senate Republicans as lawmakers teeter on the brink of extending their legislative session.

"We still have a lot of work to do it looks like," he said. "I just have to tell you I'm disappointed we're not closer to an agreement here."

Carlson declined to comment on the fairness of tax negotiations, and he said he can't predict what the Senate is planning to do or whether the 125-member House would be willing to back any proposal that keeps the sales tax above 6 percent. "We do need to move, and we do need a tax plan," Carlson said.

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plan would phase out all deductions by 2018.

Luke Bell, a lobbyist for the Kansas Realtors Association, says his organization opposes the proposal to phase out deductions entirely. The group lobbied heavily earlier this year and, at least momentarily, helped defeat Brownback's proposal to eliminate the mortgage interest and real estate property tax deductions.

The group backed plans to phase the value of deductions down to about 50 percent as income tax rates decline. But he said phasing deductions out completely without dropping the rates much more will lead to many homeowners who recently purchased a home and are paying a lot of interest to face a net tax increase.

"You're paying for tax cuts for everybody else by increasing taxes on people who claim itemized deductions," he said. "It's a shift, it's not a cut."

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