

SESSION OF 2008

## **SUPPLEMENTAL NOTE ON SENATE BILL NO. 510**

As Amended by House Committee of the Whole

### **Brief\***

SB 510, as amended, would clarify that the property tax exemption for farm machinery and equipment would include certain beds, bodies, and boxes attached to motor vehicles actually and regularly used for farming or ranching operations.

The bill also would clarify that beds, bodies, and boxes attached to motor vehicles (except those attached by manufacturers) would be classified for property taxation purposes as commercial and industrial machinery and equipment.

The bill further would prevent counties from changing classification of certain property from commercial and industrial machinery and equipment to commercial real property.

### **Background**

The bill was requested for introduction and supported by the Kansas Livestock Association (KLA) and the Kansas Farm Bureau. Proponents said that the bill was needed to address what had been an inconsistent application of the existing exemption by counties and the State Board of Tax Appeals relative to certain truck beds and feed boxes. The Senate Assessment and Taxation Committee amendment, provided by KLA, further clarifies that beds, bodies, and boxes attached to vehicles by vehicle manufacturers would not qualify for the exemption.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The House Taxation Committee amended the bill at the recommendation of Chairman Wilk to clarify that beds, bodies, and boxes not affixed by manufacturers should continue to be classified as commercial and industrial machinery and equipment.

The House Committee of the Whole added the prohibition against the reclassification of certain property from personal to real upon the motion of Representative Schroeder.

A fiscal note indicated that while the potential impact of the bill on state property tax levies is unknown, it would be expected to be minimal.