



Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas Biofuels Association
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To: House Committee on Taxation
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel
Date: February 7, 2024
RE: Proponent Testimony on HB 2585, excluding from sales taxation services for installing or applying tangible personal property for the reconstruction, restoration, remodeling, renovation, repair or replacement of a building or facility.

Chairman Smith and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 2585. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association.

KGFA is the state association of the grain receiving, storage, processing, and shipping industry in Kansas. KGFA membership exceeds 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. Renew Kansas is the trade association of the Kansas biofuels processing industry. KARA is a state agribusiness trade association comprising more than 700 member companies that supply inputs to Kansas farmers.

Our member grain elevators, biofuel processing plants, and agribusiness facilities contribute greatly to the Kansas economy. They provide gainful employment for thousands of Kansans across the state, and they pay millions of dollars in property taxes which help fund schools and local government services.

Like other industries, the ability of the agricultural industry to operate competitive, profitable businesses is often dependent upon overhead costs, such as taxes.

We appreciate the intent of House Bill 2585 to amend the Kansas sales tax code by excluding from sales taxation the cost of services for installing or applying tangible personal property for reconstruction, restoration, remodeling, renovation, repair or replacement of a building or facility. A similar sales tax exclusion currently exists in Kansas law for renovations to residential properties.

Our associations support this bill, which would clarify our tax laws and provide greater consistency. In addition, as construction costs have increased greatly in recent years due to inflationary pressures, this bill will help curb some of those cost increases. It will also incentivize investment and growth in the commercial and industrial sectors.

Thank you for allowing us the opportunity to testify in support of House Bill 2585. As the bill represents sound tax policy for the state of Kansas, we would ask the committee to pass the bill out favorably.