



Kansas Grain and Feed Association  
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February 26, 2025

To: House Committee on Taxation, Chairman Adam Smith  
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel  
Re: **Proponent Testimony on House Bill 2336, providing for the apportionment of business income by the single sales factor analysis.**

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Chairman Smith and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 2336. This testimony is submitted on behalf of the Kansas Grain and Feed Association (KGFA).

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state.

Across Kansas, our member grain elevators receive, store, process, market, and transport hundreds of millions of bushels of Kansas-grown grain every year. Our member companies are good corporate citizens that provide gainful employment for thousands of Kansans, contribute greatly to the Kansas economy, and annually pay millions of dollars in property taxes to help support schools and local units of government.

The ability of our members to operate a competitive or profitable business is often determined by the amount of fixed costs they must pay, such as taxes. Like other businesses, grain elevators that operate in multiple states are required to apportion any income earned across those various taxing jurisdictions for purposes of calculating state corporate income tax.

Currently, Kansas uses a three-factor system for apportioning income between states for corporate income tax purposes. House Bill 2336 would require corporate taxpayers, following a three-year phase in period, to use a single-factor apportionment formula based on sales revenue derived in the state. Apportionment of net income based on sales revenue is the methodology used by most states today.

As the changes set forth in House Bill 2336 are reasonable and represent sound public tax policy, we stand in strong support of the measure.

Thank you for allowing us the opportunity to testify in support of House Bill 2336. We would respectfully request that the committee pass the bill out favorably.