



KANSAS AUTOMOBILE DEALERS ASSOCIATION

February 4, 2025

To: The Honorable Caryn Tyson, Chair and Members of the Senate Committee on Assessment and Taxation

From: Don L. McNeely, KADA President

Re: SB 109 - AN ACT concerning sales and compensating use taxation; relating to the collection and remittance of taxes; providing a credit to retailers.

Good morning, Madam Chair Tyson and Members of the Senate Committee on Assessment and Taxation. My name is Don McNeely, and I serve as the President of the Kansas Automobile Dealers Association, which represents the franchised new motor vehicle industry in Kansas.

On behalf of KADA, I am pleased to appear today in support of SB 109. Our industry is essentially responsible for 18 percent of the annual retail sales in the State of Kansas. In 2023, the Kansas franchised motor vehicle dealer collected over \$556 million in sales tax on annual sales of \$7.5 billion.

Not only are the dealerships in Kansas not compensated for collecting the state and local sales tax, but dealerships are also responsible for knowing the sales tax law and regulations on the sales, lease and service of motor vehicles. In Missouri, if a business files its sales tax return and tax obligation by the due date, the state grants a two-percent timely payment allowance without a cap. The retailer multiplies the amount of the tax due by .02 and then subtracts the amount from the amount of tax due. While the credit proposed remittance credit in SB 109 is certainly something and better than nothing, we would propose the cap be increased.

On behalf of the Kansas Automobile Dealers Association, I thank the Members of the Committee for allowing me to appear before you this morning in support of SB 109.