



Kansas Motor Carriers Association

Trucking Solutions Since 1936

LEGISLATIVE BILL REQUEST

By the
Kansas Motor Carriers Association

Before the
HOUSE TRANSPORTATION COMMITTEE
Representative Gary Hayzlett, Chairman
Wednesday, January 25, 2012

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Tom Whitaker
Executive Director

MR. CHAIRMAN AND MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE:

I am Tom Whitaker, executive director of the Kansas Motor Carriers Association. I appear before you this afternoon representing our more than 1,000 member-firms and the highway transportation industry to request introduction of legislation to eliminate the motor carrier property tax and restructure how Kansas taxes all commercial vehicles.

The proposed legislation is a collaboration between KMCA, the Kansas Department of Revenue and numerous stakeholders. This proposal could increase revenue to the State without increasing taxes on most Kansas companies. This legislation does not affect current tax practices for personal or farm registered vehicles. The proposed bill does the following:

- Expands the tax base.
- Eliminates the difficulty of the State identifying the taxpayer. The Uniform Carrier Registration system does not identify for-hire carriers versus private carriers.
- Eliminates any evasion or avoidance of the tax.
- Reduces the administration costs for both the state and carriers in complying with the tax. Eliminating the property tax eliminates a required separate filing interstate carriers and the revenue is recouped through the apportioned registration process. No additional work for either the industry or the state.
- Removes the "tax penalty" carriers that operate newer and more expensive equipment must pay.
- Removes a roadblock to purchase newer and more environmentally efficient vehicles.
- Levels the "playing field" making sure that all carriers pay their fair share.
- Reduces the number of state employees need to administer the current motor carrier property tax.

We thank you for the opportunity to appear before you today and would ask that the House Transportation Committee approve our bill request.

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Motor Carrier Services Bureau
915 SW Harrison St. Room 150
Topeka, KS 66612



phone: 785-296-6541
fax: 785-296-6548
www.truckingks.org

Nick Jordan, Secretary
Donna Shelite, Director

Sam Brownback, Governor

TO: Chairman Gary Hayzlett
Members of the House Transportation Committee

FROM: Donna Shelite
Director, Division of Vehicles, Department of Revenue

DATE: January 25, 2012

RE: Support for commercial vehicle registration legislation

Chairman Hayzlett and Members of the House Transportation Committee:

The Department of Revenue strongly supports the proposed commercial vehicle registration legislation requested for introduction by the Kansas Motor Carriers Association (KMCA).

Truckers are an essential part of the American economy, and they also are highly regulated and taxed. In fact, to do business in Kansas, truckers must deal with three different offices within the Department of Revenue, in addition to the Kansas Corporation Commission, the Federal Motor Carrier Safety Administration, and local counties.

To make it easier for truckers to navigate this regulatory and tax framework in Kansas, this legislation will consolidate trucking related functions now performed by Revenue's Division of Taxation, Division of Property Valuation, and the Division of Vehicles' Motor Carrier Services Bureau. This will allow more convenient registration of commercial vehicles through the International Registration Plan, intrastate commercial vehicle registration, fleet registration, payment of property taxes.

The Department of Revenue, KMCA, Kansas County Treasurers Association, and other stakeholders worked together closely to develop this proposal. This legislation will enhance and encourage commercial vehicle registration in Kansas and, at the same time, bring efficiencies to our state government and the customers it serves.

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