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House Taxation

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Submitted to: House Taxation Committee – Chairman Richard Carlson and
Distinguished Members

Reference: Property Sales Tax Rebates – New Vehicles

My wife and I currently reside in Pittsburg, Kansas (Crawford County). We are life long residents of the state of Kansas. We are both retired and on fixed pensions.

On September 30, 2011, we purchased a 2011 Chevrolet Pickup that required over 2 hours of debate with the dealer; negotiating back and forth obtaining a respectable trade-in allowance for our 2008 Chevrolet Pickup. When all was said and done I wrote the dealership a check for \$9,500 and signed off on the title to the 2008 Chevrolet Pickup.

On October 31, 2011, I went to the Crawford County Court House to register the 2011 pickup. To my surprise, the Clerk informed me that I would be paying sales tax on \$15,905.60. I was expecting a tax on \$9,500. I was informed that I had to pay sales tax on the General Motors Company rebate that was retained by the dealer. I fail to see how rebate money flowing into the dealership's account is my tax responsibility.

I understand that a law existed (and was in effect as late as 2009) that prohibited taxation on new vehicle rebate programs. In my opinion, it is in the best interest of Kansans to renew and reinstate this law. Representative Calloway is submitting a bill for reinstatement of the 2006-2009 law that prohibits taxation on vehicle rebates. I am a proponent of this bill.

Thank you for valuable, and often unappreciated, time by allowing me to present this testimony.

Mitchell A. Kinworthy

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