



**Kansas Agribusiness Retailers Association (KARA)**  
**Renew Kansas Association**  
**Kansas Grain & Feed Association (KGFA)**  
816 SW Tyler, Topeka, Kansas 66612

Date: January 23, 2018  
To: House Committee on Taxation  
From: Randy Stookey, SVP and General Counsel, Renew Kansas Association

**RE: Written Testimony Opposing HB 2493, providing subpoena power to the director of taxation for sales tax investigations**

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Chairman Johnson and members of the committee, thank you for the opportunity to comment in opposition to House Bill 2493. This joint testimony is submitted on behalf of Kansas Grain and Feed Association, Kansas Agribusiness Retailers Association, and Renew Kansas Association.

KGFA is a voluntary state association with a membership encompassing the entire spectrum 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. KARA is a voluntary trade association that appreciates membership of over 700 agribusiness firms that supply fertilizers, crop protection products, seed, petroleum products, and agricultural services to Kansas farmers. Renew Kansas (formerly, Kansas Association of Ethanol Processors), is the trade association of the Kansas ethanol processing industry.

Kansas law currently authorizes the director of taxation to conduct investigations and hold hearings to determine the amount of sales tax owed by a person or company engaged in the business of selling goods at retail. Kansas law also currently authorizes the director to examine any books, papers, records, or memoranda bearing upon those sales of any such person.

HB 2493 would amend K.S.A. 79-3611 to provide the director of taxation with new, additional authority to issue subpoenas compelling access to the production of books, papers, records or memoranda pursuant to a tax audit, to compel the appearance of a person, and issue interrogatories subject to limitations as would apply in a civil action in district court.

This new subpoena power would be effective during the investigation phase of an audit, prior to any allegation of underpayment of tax. However, the department already receives this information through the formal discovery process in a hearing if action is taken against a tax payer. In conversations with tax law practitioners, this request of new authority in HB 2493 is seen as an unreasonable and unnecessary overreach of department regulatory authority outside of the formal hearing process.

For this reason, we stand opposed to HB 2493. Thank you for allowing us the opportunity to submit testimony on HB 2493.