



Since 1894

To: House Committee on Taxation
Representative Adam Smith, Chair

From: Dean Klahr, Director of Stockgrowers Division, Kansas Livestock Association

Re: **HB 2464, AN ACT concerning sales and compensating use tax; relating to exemptions; providing an exemption for reconstructing, repairing or replacing certain fencing damaged or destroyed by wildfires.**

Date: January 12, 2022

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 5,700 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seed stock, cow-calf, and stocker cattle production; cattle feeding; dairy production; swine production; grazing land management; and diversified farming operations.

Thank you, Chairman Smith and members of the Committee, for expediting this hearing to address a significant and catastrophic disaster for many families in Kansas. KLA strongly supports HB 2464. As reported by multiple news outlets, on December 15, 2021, an estimated 163,000 acres of land was burned as a result of wildfires that were accelerated by extreme wind, across primarily North Central and Northwest Kansas, with the bulk of those acres being in Russell, Osborne, Rooks, and Ellis counties. Other smaller wildfire outbreaks also occurred in Southwest and South Central Kansas.

Many livestock producers affected by this weather event saw substantial damage to their entire life's work with loss of fence, forage, harvested feed resources, outbuildings, homes, and livestock. Furthermore, the cow-calf producers whose cows perished in the fire will be without a calf crop and paycheck in 2022.

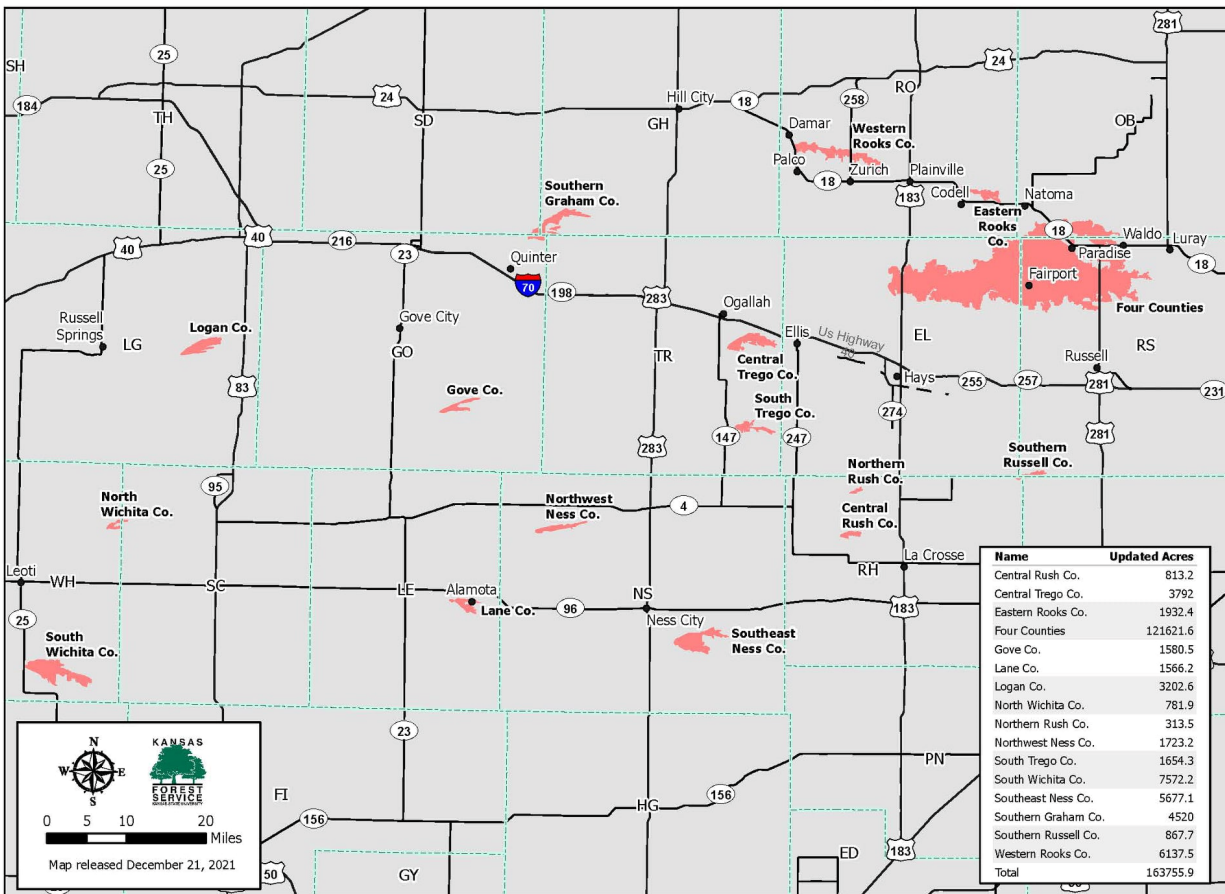
HB 2464 would provide much-needed relief for those who were affected by the wildfire event on December 15, 2021, and any wildfire events moving forward, by granting a sales tax exemption for materials and services purchased to replace or rebuild fence on land devoted to agricultural use. The bill also allows for a sales tax rebate for those who may have already purchased these items prior to the enactment of the bill.

This concept was first adopted in 1996 when wildfires burnt approximately 80,000 acres in Barber and Comanche counties and were amended to provide relief during the 2016 Anderson Creek Fire that burned approximately 312,000 acres and, most recently, in 2017 when over 711,000 acres were burned across the state, primarily in the Starbuck Fire. HB 2464, however, provides wildfire relief on a more permanent basis, a concept KLA supports.

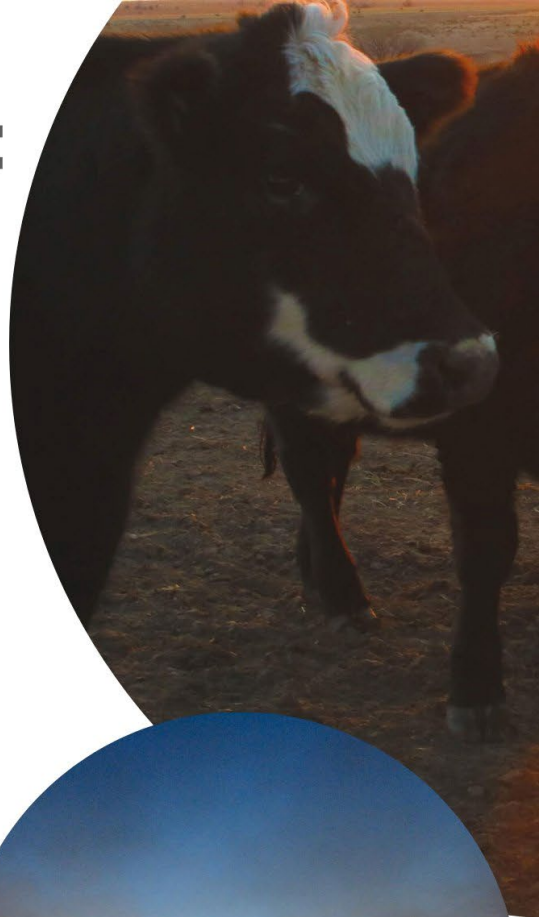
Enacting a permanent exemption for wildfire events does create some need for additional clarification from the Kansas Department of Revenue (KDOR). What criteria will KDOR use to determine if an event is classified as a “wildfire” in the future?

Thank you for the opportunity to submit KLA’s views to the Committee. KLA asks the Committee to approve HB 2464 favorably for passage.

December 15th, 2021 Wildfire Perimeters Update



Wildfire Relief Resources



Ways to Donate

1.

Cash Donations // KLA and the Kansas Livestock Foundation will be assisting in the efforts to support ranchers affected by fires and high winds across the state. 100% of all donations will be distributed to producers impacted.

Donate online at www.kla.org.
Mail check donations to: Kansas Livestock Foundation, 6031 SW 37th Street, Topeka, KS, 66614.

2.

Supply Donations // Several collection and distribution sites have been established. For assistance with supply donation coordination call KLA at (785) 273-5115 or visit www.kla.org



Those interested in applying to receive funds can call the KLA office at (785) 273-5115 to be placed on a list to receive the application when it is finalized.

Membership not required.

The Kansas Livestock Foundation's (KLF) primary objective is to operate solely and exclusively for charitable, scientific and educational purposes that advance the interests of the beef industry.