

KANSAS OFFICE *of*
REVISOR *of* STATUTES

LEGISLATURE *of* THE STATE *of* KANSAS
Legislative Attorneys transforming ideas into legislation.

300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

MEMORANDUM

To: Members of the House Committee on Taxation

From: Adam Siebers, Assistant Revisor

Date: February 1, 2022

Subject: Senate Bill No. 318

Summary

Senate Bill No. 318 would permanently enact a sales tax exemption for agriculture fencing destroyed by natural disaster; enact a sales tax exemption for property and services for constructing agriculture fencing; and also provides for the abatement of property tax for buildings and improvements destroyed by natural disaster.

Section 1 – Enacts the sales tax exemption for personal property and services necessary to reconstruct, repair or replace any fence that was damaged or destroyed by natural disaster that occurred on or after January 1, 2021. The exemption had previously expired after calendar year 2018. Taxpayers may either receive a reimbursement for sales taxes paid or may apply for an exemption certificate.

The bill contains the amendments made in House Bill No. 2464 with the additional amendment providing that purchases have to be made within two years of the date of the applicable disaster declaration to qualify for the sales tax exemption.

Lastly, the bill would provide a sales tax exemption for property and services for constructing agriculture fencing commencing July 1, 2022.

Section 2 – Expands the eligibility for property tax abatements to allow for buildings and improvements to also qualify if destroyed or substantially destroyed by natural disaster in addition to homesteads. Under current law, the board of county commissioners, after making findings, determine whether to allow the abatement request. The bill would apply for tax years 2019 and thereafter.