



Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
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March 1, 2022

To: House Committee on Assessment and Taxation
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel
Re: **Joint, Proponent Testimony on Senate Bill 327, excluding separately stated delivery charges from the sales or selling price for sales tax purposes.**

Chairman Smith and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 327. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA) and Kansas Agribusiness Retailers Association (KARA).

KGFA is the state association 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 state trade association that appreciates membership of over 700 agribusiness firms that provide agronomic expertise and supply agricultural services and inputs to Kansas farmers, such as seed, fuel, fertilizer, pesticides, and herbicides.

Across Kansas, our member grain elevators and agribusiness facilities contribute to the Kansas economy and provide gainful employment for thousands of Kansans. These industries also function as good corporate citizens, paying millions of dollars annually in property taxes that help support schools and state and local government.

Our industries are highly regulated by state and federal government. Similarly, the statutory duty to collect, track, and remit sales tax on non-exempt retail transactions brings additional administrative costs. The ability of our members to operate a competitive business is often dependent upon the amount of overhead costs.

Kansas law exempts many of our members' retail transactions from the collection of state sales tax, as they are sales of agricultural inputs. However, some retail transactions are not exempt, and our members shoulder the administrative burdens and costs associated with collecting and remitting state sales tax on those sales.

Senate Bill 327 would exclude separately stated delivery charges from the collection of state sales tax. Easing this statutory burden would help bring down administrative costs, and lower expenses for our members' customers during this time of high inflation. For these reasons, we stand in support of this bill which passed the Senate on a vote of 40-0.

Thank you for allowing us the opportunity to testify in support of Senate Bill 327. We respectfully request that the committee pass the bill out favorably, without amendment.