

**TESTIMONY BEFORE
HOUSE TAXATION COMMITTEE**

**REGARDING HOUSE BILL 2631
RELATING TO
MOTOR FUES TAX PAID FOR OPERATON OF READY-MIXED VEHICLES**

MARCH 7, 2016

Mr. Chairman and Committee Members:

The Kansas Department of Transportation (KDOT) is providing written testimony in opposition of House Bill 2631 (HB 2631), which will allow ready-mixed concrete vehicles to claim motor fuels tax refund equal to the amount of tax levied on 22% of the fuel consumed by the vehicle.

This legislation will reduce motor fuels tax collected and deposited into the State Highway Fund. The reduction in the amount of taxes collected is estimated to be over \$123,000 annually; totaling over \$493,000 in the next four years. This will also result in a decrease in revenues to the Special City and County Highway fund, in an estimated amount of over \$62,000 annually; totaling over \$250,000 in the next four years.

The reduction of nearly \$750,000 in motor fuels taxes collected over the next four years will decrease the funds available for use for projects to preserve, maintain and expand local and state transportation systems in Kansas.

KDOT appreciates the opportunity to provide written testimony in opposition to HB 2631.