

Approved: 2-16-00
Date

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson Senator Audrey Langworthy at 11:10 a.m. on February 14, 2000, in Room 519-S of the Capitol.

All members were present except: Senator Praeger – Excused

Committee staff present: Chris Courtwright, Legislative Research Department
Don Hayward, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Senator Donald Biggs
Lenny Meier, Jr., Kansas Vegetable Growers Association
Dan Nagengast, Director, Kansas Rural Center
Keith Holy, Overland Park Farmers' Market
Donna Taylor, Taylor Orchard
Shirley Sicilian, Kansas Department of Revenue

Others attending: See attached list.

The minutes of the February 9 and 10, 2000, meetings were approved.

SB 476–Sales taxation; exempting sales of certain fruits and vegetables

Senator Donald Biggs testified in support of **SB 476**. He explained that the only statute change is in the title and on page 16, lines 8 and 9. The bill exempts Kansas sales tax on all sales of fruits and vegetables produced in Kansas and sold directly to individual consumers by the producer. Senator Biggs noted that **SB 476** is simply a small effort to encourage the production of fruits and vegetables by Kansas farmers. In addition, he pointed out that it will save bookkeeping and reporting for small independent farmers. (Attachment 1)

Lenny Meier, Jr., representing the Kansas Vegetable Growers Association and the Kansas State University Horticulture Society, testified in support of **SB 476**. Noting that he is a third generation farmer, he discussed how the elimination of sales tax on locally grown produce would benefit low-income families and farmers whose income is suffering from low grain prices. He believes that passage of the bill would encourage more business ventures by local growers and, ultimately, would keep local dollars at home rather than in the hands of major chain stores. (Attachment 2)

Dan Nagengast, Director of the Kansas Rural Center (KRC) and a producer, testified in support of **SB 476**. He discussed several maps attached to his written testimony regarding KRC market clusters, locations of Community Service Agriculture in Kansas (CSAs), and community food systems projects. Also attached is a statistical chart regarding vegetable, fruit, and legume production and consumption in the state of Kansas. He noted that currently there are approximately 60 farmers' markets in Kansas and discussed the research which has indicated that farmers' markets have great growth potential. He pointed out that exempting the sales tax on locally produced fruits and vegetables would provide significant savings to low-income families which would enable them to buy a larger quantity of fresh, nutritional foods at farmers' markets during the summer months. (Attachment 3)

Keith Holy, volunteer market manager for Overland Park Farmers' Market, testified in support of **SB 476** on behalf of local home gardeners. He described the growth of the Overland Park Farmers' Market over the years. He noted that most of the vendors are small, "Mom and Pop" gardeners who grow a variety of produce items to sell to people within their own community. He feels that the elimination of sales tax on this type of produce sales would help local Kansas growers stay in business. Mr. Holy suggested four restrictions to monitor sales by vendors in farmers' markets. (Attachment 4)

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE Room 519-S, Statehouse, at 11:10 a.m. on February 14, 2000.

Senator Langworthy observed that many vendors at the Overland Park farmers' market are Missouri vendors and asked if Missouri vendors currently pay Kansas sales tax. Mr. Holly commented that he does not keep records on sales tax collections by vendors. He agreed that determination of what produce was grown in Kansas and who is to charge sales taxes could create confusion for vendors and consumers. He acknowledged that compliance would depend on the honesty of the farmers selling produce at farmers' markets.

Donna Taylor, Taylor Orchard, gave final testimony in support of **SB 476**. She discussed how she became an owner of an apple orchard and the financial struggles she has experienced. She noted that there is very little incentive to continue when she makes less than 50 cents an hour for her labor. She informed the Committee that, for 1999, her gross receipts were \$6,741.96. After allowable deductions, the state retail sales tax due was \$39.37. Although this year was supposed to be a "good year" for apples, major crop damage occurred due to codling moth, and much of her produce ended up on the ground or unpicked because she could not afford to hire anyone. Noting that many times she has nothing to show for her work at the end of the year except sore muscles, she emphasized that a tax break would be of great benefit to her small, struggling orchard business. (Attachment 5)

Mr. Nagengast stood to respond to earlier discussion regarding the issue of how to differentiate between local and non-local vendors. He explained that the federal farmers' market nutrition program, found in 27 states, applies only to locally grown fruits and vegetables, and differentiation under this program has worked successfully for many years.

Ken Krause of Overbrook, Kansas, stood in support of **SB 476**. He informed the Committee that he has an apple orchard, a vineyard, and an asparagus patch. He noted that the Committee discussion had centered on vendors at farmers' markets. He believes that, if all farmers were exempted, many farmers statewide would turn to selling their produce as a way to sustain their income. He feels that there would be a large market for farmers since many persons who buy locally grown produce are not from low-income families but rather are average, working citizens looking for a good bargain.

Mr. Meier commented that, currently, the collection of sales tax on produce sold by farmers is dependent on the honesty of the farmers. With the passage of the bill, reports of sales would still depend on the honesty of farmers. In his opinion, the consumer is not concerned whether or not sales tax is collected at farmers' markets. He noted that, although passage of the bill would benefit the poor, the bill was intended to provide a benefit for farmers only. He believes the bill will help farmers continue to stay in the business of farming, and it will help individuals who want to become a farmer. With this, the hearing on **SB 476** was closed.

Senator Langworthy opened a discussion on a previously heard bill, **SB 502**, allowing certain oil lease working interest property tax refunds, which was introduced at the request of Senator Lee. Senator Lee distributed copies of clarifying amendments suggested by the Department of Revenue at the hearing. (Attachment 6)

Shirley Sicilian, Kansas Department of Revenue, explained that the bill creates a separate program for the Department to administer, and the fiscal note regards the administrative cost for the Department. Although the bill will create more work for the Department, the Department supports the bill because it will eliminate much paperwork for taxpayers.

Senator Lee moved to amend **SB 502** as suggested by the Department of Revenue, seconded by Senator Donovan. The motion carried.

Senator Lee moved to report **SB 502** as amended favorable for passage, seconded by Senator Donovan. The motion carried.

The meeting was adjourned at 12:00 p.m.

The next meeting is scheduled for February 15, 2000.

DONALD E. BIGGS
 SENATOR, 3RD DISTRICT
 LEAVENWORTH & JEFFERSON COUNTIES



TOPEKA

COMMITTEE ASSIGNMENTS
 RANKING MINORITY MEMBER:
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LEGISLATIVE HOTLINE
 1-800-432-3924
 (DURING SESSION)

SENATE CHAMBER February 14, 2000

Testimony for Senate Assessment & Taxation Committee
 By Senator Don Biggs
 SB476 - Sales Tax Exemption, Ks. Fruits & Vegetables

This is a 16 page bill, but the only statute change is in the title and on lines 8 and 9 on the back page. The bill exempts Kansas sales tax on all sales of fruits and vegetables produced in Kansas and sold directly to individual consumers by the producer.

This proposal is a small effort to encourage the production and sale of fresh fruits and vegetables by Kansas farmers. The message sent by this legislation may be as important as the dollars saved. Research by the University of Kansas shows strong consumer preference for Kansas grown crops when available. There are very successful and growing Farmers' Markets in a number of our towns and cities. Another advantage of this legislation is the saving in record keeping and reporting by these small and independent farmers.

I am pleased to have conferees from the front line of production and sale of Kansas grown produce, and I appreciate the time that they have taken to be here. I request that the Committee act favorably on SB476. Thank you.

Don Biggs

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Attachment 1

Good morning, my name is Lenny Meier Jr. I am the vice president of the vegetable growers association for the state of Kansas, also the representative for Kansas State University in the Horticulture society of Kansas and last but not least I am a 3rd generation farmer with a 4th working for me.

I am here to talk to you about the benefits of eliminating sales tax on locally grown produce. As you know the school system has free and reduced breakfast and lunches for families in need. The sales tax issue becomes very important for those families when school is out. Coincidentally, the same time local produce is ready, from May until Sept. With school out the family food bill for low-income families is higher and with the elimination of sales tax their budgeted money goes further. To you 6.5 cents doesn't seem like much but when potatoes are selling for 20 cents a pound every \$3.00 is another pound of potatoes for already tax poor family.

On the other side of the coin there are the local farmers. Whose income, is suffering from low grain prices, lower than the end of WWII prices. These farmers are looking for alternative incomes. Which would come between the planting and harvesting of their grain crops. They could plant sweet corn, tomatoes, ect., but they don't because of dealing with sales tax issues. Small farmers aren't afforded the luxury of accountants, they do their own books and with the mountain of paperwork now necessary for the government that's the last thing they want is more paperwork. With the elimination of sales tax on locally grown produce some of these farmers will try alternative crops and reduce their need for subsidies on the grain side by making enough income to survive. Farmers don't dream of getting rich they dream of survival to pass on a heritage. With more small farmers encouraged to produce locally grown products the prices of locally grown produce will come down helping everyone.

Farmers markets are an excellent sources of local produce but so many are afraid to try them because of the confusing issue of sales tax. With the elimination of sales tax, there would be more local growers there and with more comes price competition thus helping the consumer again. Locally grown supports the local economy and encourages potential growth to a larger business venture. You all know some success story of a backyard business leading to something larger. Maybe with the elimination of sales tax on locally grown produce more business ventures could become a reality.

With the elimination of sales tax on locally produced vegetables the public poor will see that the senate is here to help the average citizen and not only the perceived wealthy. Those who are helped never forget their benefactor.

The elimination of sales tax on locally grown produce is a small gesture. But a major step in helping both the consumer poor and the farmers willing to try alternative production.

In closing I can state that by eliminating sales tax on locally grown produce you will 1)encourage consumers to purchase locally grown because their dollars are worth more 2)encourage farmers to grow and compete 3)be keeping local dollars at home and not in the hands of major chain stores. And finally showing the public the senate is here to help the poor help themselves by providing a small avenue of relief from taxation. Thank you----have a nice and healthy day.

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Attachment 2

Testimony to the Senate Tax Committee - Feb. 14, 2000

Dan Nagengast

785/748-0959

growing4market@earthlink.net

Senate Bill No. 476

Madam Chair, and members of the committee, thank you for the opportunity to testify today.

This bill is about reviving a dormant sector of the Kansas agriculture economy. It is about developing new markets which have the potential to boost the Kansas economy in ways with as much impact or more as increasing our exports of commodity crops.

I've included some maps of interest. Much of this material can be accessed at www.ams.usda.gov/afsic. The first is a map of Direct Sales to Consumers. Note that there is very little activity in Kansas. Much of the Direct Marketing activity in the rest of the country is around urban areas, and we have very little of that in Kansas now, though this has not always been the case. There are some rural counties in the country which do very well. Lancaster, PA reported over \$4.6 million in annual sales in 1992, and that number has surely grown.

More recently we partnered with the Institute for Public Policy and Business Research (IPPBR) at KU in a study of the potential market in the Kansas River valley for "environmentally identified products" (e.g., organic produce, free range poultry, hormone-free beef). IPPBR estimated a seasonally adjusted market in the valley of between \$80 and \$100 million dollars annually. That's an existing market that we do not, at present, address. Their final research will be issued in the near future. Think of what \$100 million in new markets would mean to the Kansas ag. economy, especially as this is an internal market which keeps dollars circulating locally.

At present, there are approximately 60 farmers markets in Kansas. You can find a list of most of them at : <http://www.ams.usda.gov/farmersmarkets/states/kansas.htm> Farmers markets continue to be developed, and existing ones are growing at a fairly rapid rate. The people of Kansas want to buy local, which was also indicated in the IPPBR study. Cornell University has done research which finds that farmers markets are by far, the best incubator of entrepreneurial new businesses. Farmers markets have great potential in and of themselves, but often new value-added enterprises gain a foot hold there.

I have included a map of CSA's in Kansas. CSA's are a new marketing tool developed in the last ten years, whereby farmers contract with families to supply their fruits and vegetables for 25-40 weeks throughout the year. CSA's are proving to be remarkably stable, as farmers markets have become. Sales to CSA customers, sales at farmers market, at tailgate markets and farm stands, are all subject to sales tax.

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Attachment 3*

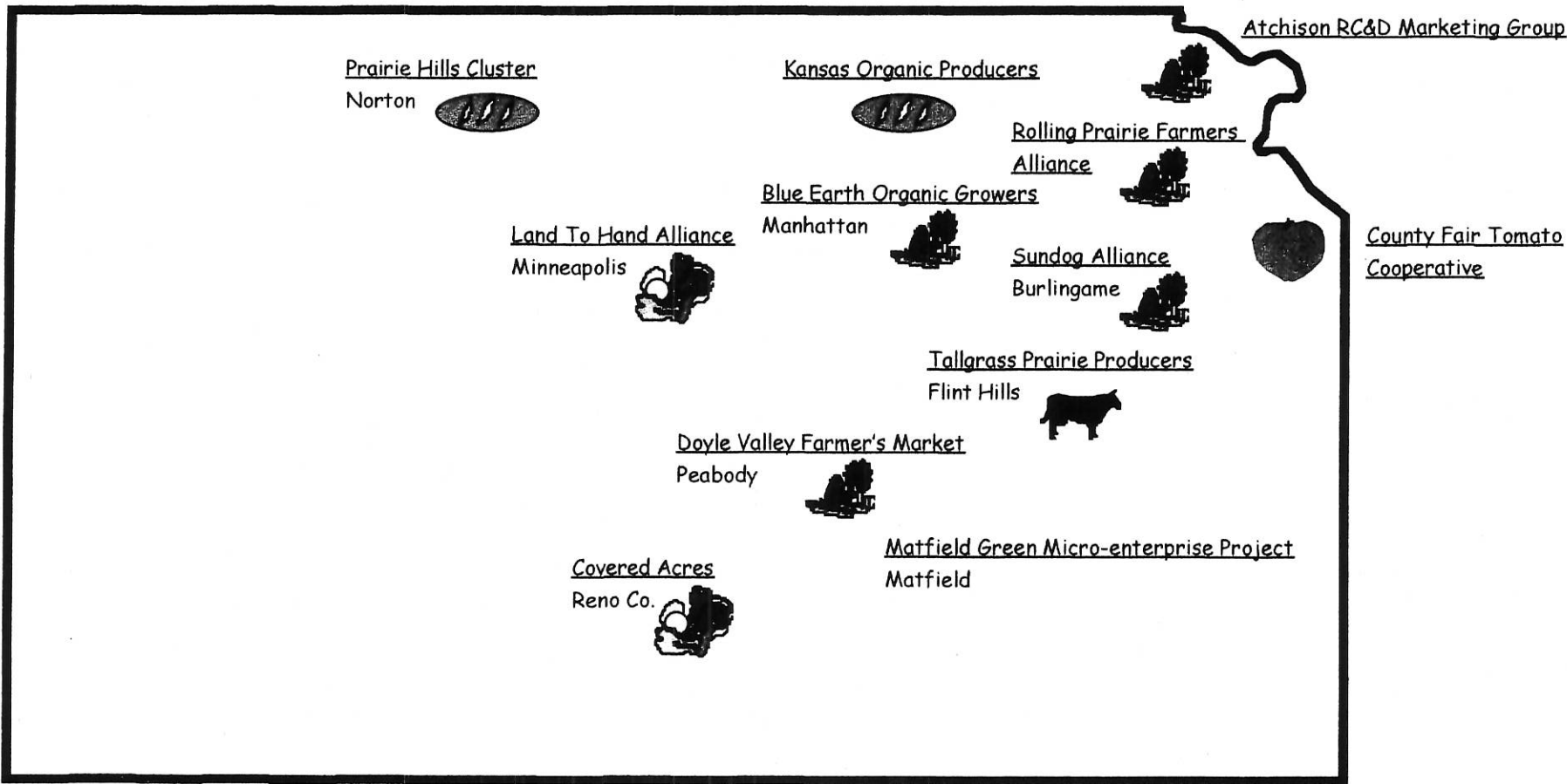
The final issue I wanted to raise with you is that of nutrition. We have been involved with the Kansas Dep't of Commerce and Housing and the KDHE-WIC program to try and develop a Farmers Market Nutrition Program for WIC moms, low-income mothers and children who are nutritionally at risk. There is a lot of federal money available right now, if we can come up with a 30% state match. I don't think there is a nutritionist in the country right now that is not extolling the value of fresh fruits and vegetables. Think of the Food Pyramid and the 5-A-Day Program. In Douglas County, where I sell my produce, we have 6.9% sales tax. For a low-income family spending \$20 a week on vegetables and fruit, that translates into over \$40 in sales tax during a typical summer, or two weeks worth of vegetables. Exempting the sales tax on fruits and vegetables would help farmers, agricultural communities, and low income people.

I'm sure you will need a fiscal note to determine the cost of such an exemption. At present, I'm willing to bet it won't be much. Should we be successful, and manage to generate a rip-roaring direct market economy, the question of the exemption could always be revisited, or the issue could be addressed with a sunset provision.

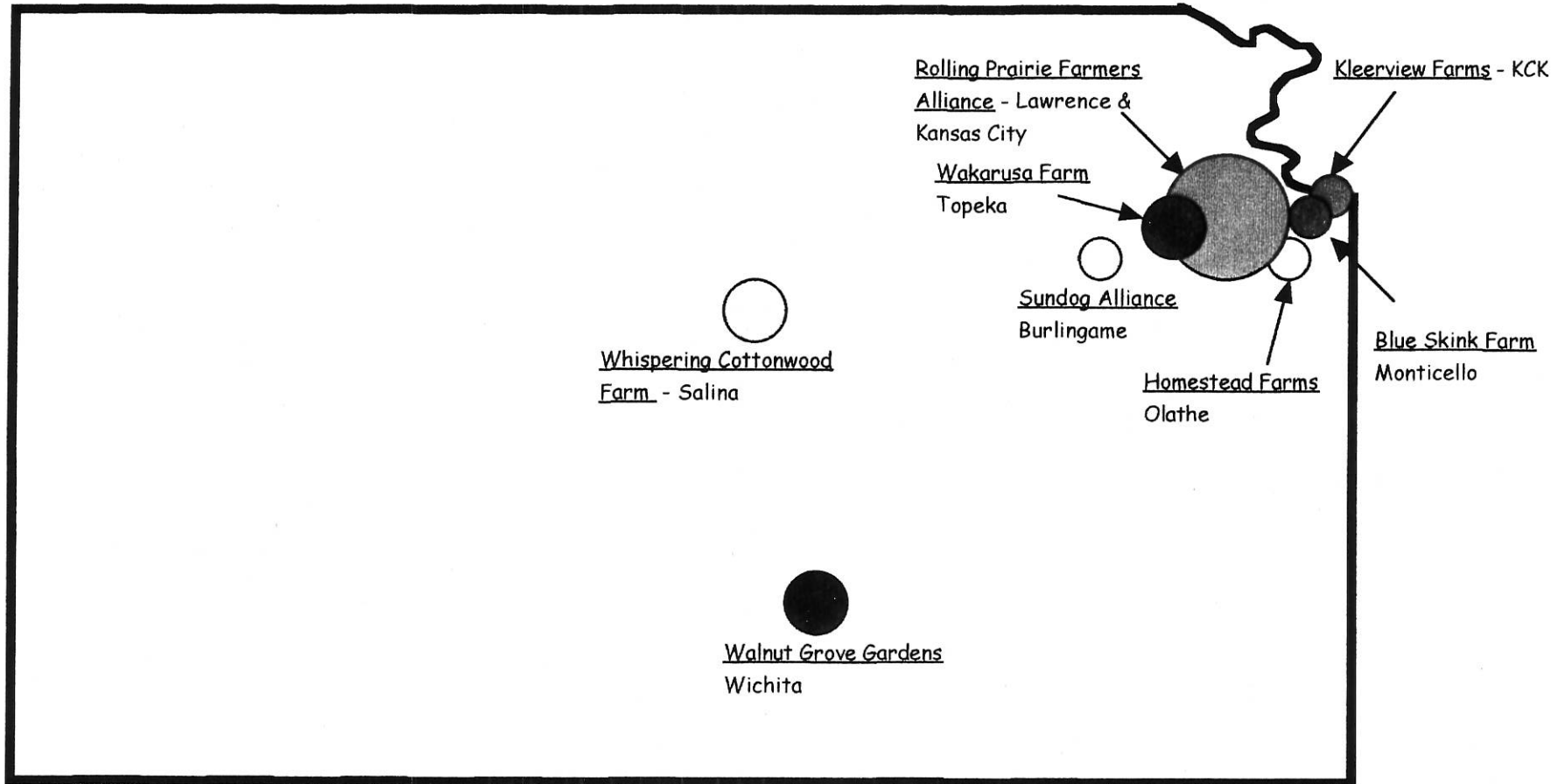
At any rate, thank you for your attention. I urge you to support Kansas farmers in this difficult time, as they transition to more economically promising crops and activities.

COMMODITY	PRODUCTION		CONSUMPTION			
	Production Retail Weight (1000 lbs)	Retail Value (\$1000) (1996 dollars)	Consumption in Kansas (1000 lbs)	Retail Value (\$1000) (1996 dollars)	Acres Cropland Used in KS Production	Acres Required to produce 100% KS Consumption
Asparagus	155.745		1,547.489		125	1,242
Cole Crops	809.155				63	
Tomatoes	1,653.625		41,524.299		123	3,088.6
Cucumbers	245.380		13,927.405		17.5	993.3
Green Beans	53.040				10.5	
Onions	1,581.290		42,555.958		126	3,390.9
Peppers	107.7		16,764.469		19.5	3,035.4
Rhubarb	11.115				5	
Sweet Potatoes	1,769.415		12,122.000		37	253.5
Turnips	100.965				33	
Herbs	15.935				11	
Cantaloupe	3,809.7		22,180.681		427	2,486.1
Watermelon	5,165.08		39,718.895		722.5	5,555.9
Other Vegetables	222.05		26,049.405		28	
<u>Fruits (1994 Values)</u>		1,240	730,414.9			
Blackberries	25.320				42.5	
Raspberries	17.205				21.5	
Strawberries	175.735		10,574.511		106	6,378.3
Grapes		970	18,827.788		78	
Other Berries	2.285				14.5	
Apples	5,000		77,632.385		500	7,763.2
Peaches	500				180	
<u>Legumes\Nuts</u>						
Pecans	3,600				5,120	
Dry Beans	444	11,544			28,000	

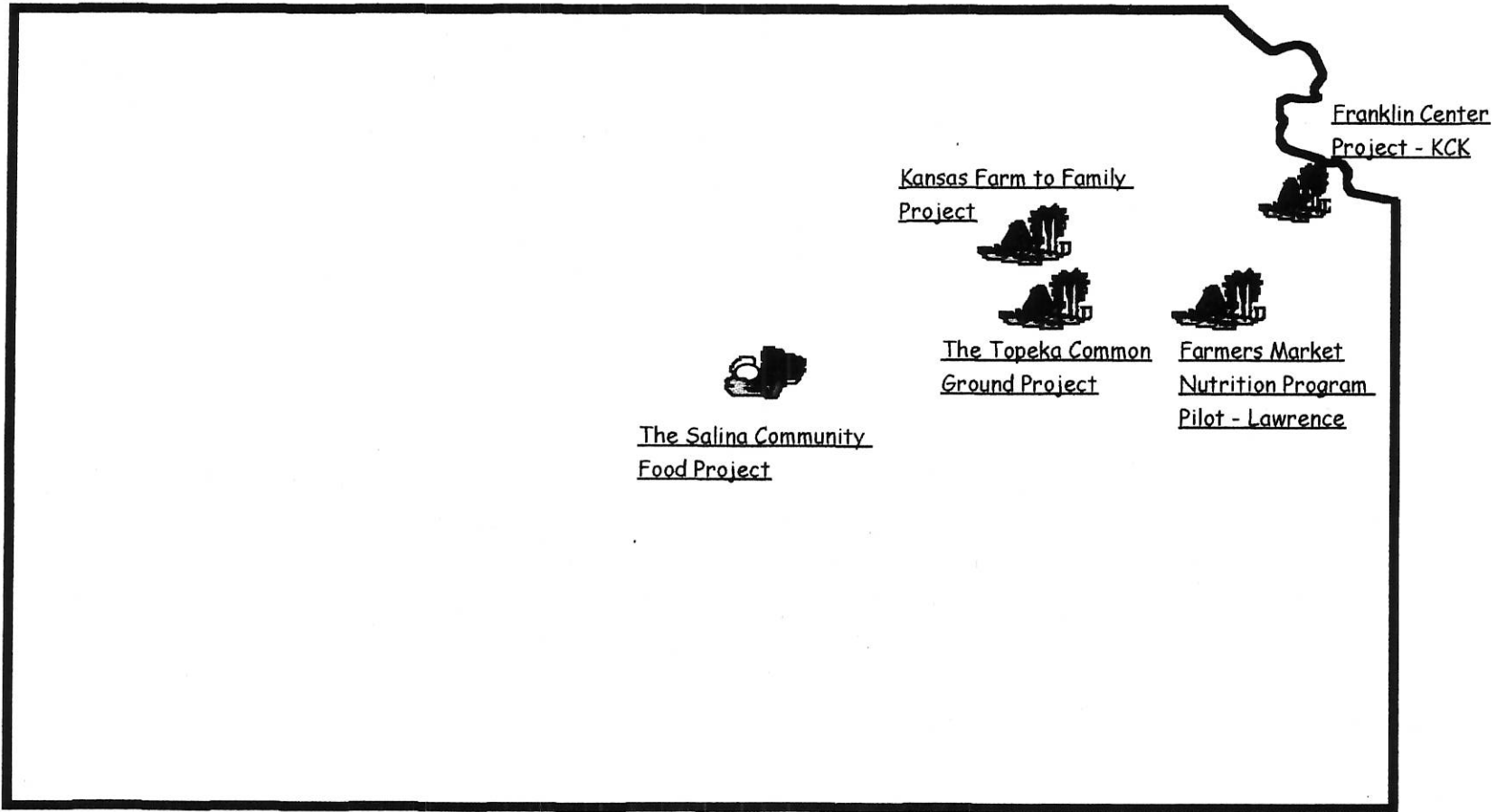
KRC Marketing Clusters . . .



CSA's In Kansas . . .



Community Food Systems Projects ...



Senate Assessment and Taxation Committee
Chairperson, Senator Audrey Langworthy

February 14, 2000

Prepared and Presented by Keith A. Holy

I would like to thank you, Senator Langworthy and Senator Biggs and all committee members for allowing me to be here today to speak on behalf of the local Kansas home gardeners.

In opening, today is like coming back to a place I fondly remember so well. In 1970, my family and I worked and supported a very close friend and Kansas farmer from Lawrence, Kansas, Reynold Shultz. He was the Lieutenant Governor who served with Governor Robert Docking. They both had concerns for the Kansas farmer that still exist today. After Lieutenant Governor Shultz left office, he served with the Farmers Home Administration and the Department of Agriculture, until he retired in 1991. We recently lost our friend, Ren Shultz, but he bequeathed his obligations to all of us. Knowing him and being a local Market Manager has deepened my feelings for those who toil and struggle with the land and weather to maintain crops for their own family and the communities in which we live.

There has been a great exodus from farming by their children for more lucrative jobs in towns and cities that surround their farms. I am hoping that in future years, we will have farms to supply my grandchildren with fresh produce. I teach them the importance of the local farmer and the high quality of food they grow for us. My oldest grandson, Alex Holy, has taken a particular interest in the local farmers and knows the benefits of fresh produce in his diet.

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The Overland Park Farmers Market was first started with three vendors in 1981, by Floyd Russell, who was the President of the Downtown Overland Park Business Association. This was a way of introducing new families to the city of Overland Park and our local downtown businesses. In 1985, I was appointed as Market Manager with twelve possible vendors, and now that list has grown to 75 farmers.

The City of Overland Park , and great support from Mayor Ed Eilert, the City Council and City Manager, Mr. Don Pipes, built a pavilion in 1990. The vendors moved under its protection in 1991, and this pavilion is now a symbol within our community that proudly demonstrates our support of the farmer.

As our market has grown, so have the crowds of people that shop for fresh produce and flowers on Wednesday and Saturday mornings each summer. We have a great mix of vendors that offer both organic and regular produce. It is the goal of the Board of Directors of The Business Association that our vendors offer a quality product to the public. Our vendors are not the large commercial growers that sell their produce to national profit giants. In fact, most are small, "mom and pop" truck gardeners that grow a variety of produce items to sell at the local farmer's markets to people within our communities.

Most of the vendors at Overland Park Farmer's Market that I have spoken with, have indicated to me that they are not being charged tax on the seeds and starter plants they buy to grow and produce. However, they are being charged sales tax on the chemicals they use, and must fill out a form from the state on any purchase of equipment to avoid tax when maintaining their equipment.

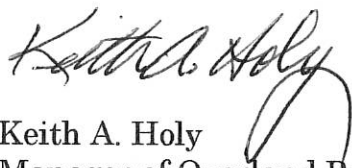
Any incentive you can offer, such as no sales tax on home grown produce sold at local farmer's markets, would help the local Kansas growers stay in business. I do understand that having no sales tax would have to be in place with some restrictions, and from my own opinion, I would like to suggest the following:

1. Each vendor must register with their state of residence.
2. Produce must be grown upon the land they own or lease.
3. Produce brought in from another state would be subject to taxation.
4. Would not apply to growers that wholesale their produce.

I am confident this committee will have other ideas on how sales tax can be monitored. May I repeat, no sales tax, for the Kansas produce grower, will keep their families on local farms and supplying fresh produce to you, me, and our future generations.

Thank you for your time and attention to this important issue, and for hearing me today in our state's capital.

Respectfully Submitted,



Keith A. Holy
Manager of Overland Park Farmer's Market

Donna Taylor - Taylor Orchard
390 N. 1600 Rd.
Lawrence, KS 66049-9199
(785) 887-6990

IN RE: Tax Exempt Status on Fruits and Vegetables in Kansas

Dear Senators and Representatives of Kansas:

My name is Donna Taylor. I own and operate Taylor Orchard on 45th Street between Topeka and Lawrence, about 1 mile East of Stull on "Stull Road". I have about 400 apple trees which include 13 different varieties, nine varieties of which we sell out of our "humble" garage from Sept. 1 to Dec. 1. In 1982, my father-in-law, George Taylor, a retired auditor from AT&T, decided he would return to his hometown of Lawrence, and live out the remainder of his years completing what amounts to 30 years of genealogical research on the Taylor lineage dating back to the early 1500's. His work has been exhaustive, scrupulous and unprecedented to say the least. He is finally finishing this daunting task within the year or so at the age of 72. Upon purchasing a total of 19+ acres from his Aunt Clara, his wife asked him if it would be okay to plant a few apple trees. Well, considering this is a man who has devoted half of his life delving into hundreds of thousands of pages of research, "a few" trees must have seemed a little understated. I know he remembers being raised as a child in this area when it was dotted with small, family-owned orchards and fertile gardens along the Kaw. Today he sees it as it is now becoming, an urban sprawl, and the small orchard growers have all but disappeared. I'll spare the violin playing, but this was a sincere man, with a noble idea. I'm not sure if he had the full concept of the amount of work it would actually take to maintain the 400 trees he eventually planted anymore than he knew the scope of researching 30,000 Taylors. But he pursued the idea with the same zeal rooted in this country's 'Founding Fathers'. In 1994, he asked his only son, my husband, to move out to Lawrence from Illinois, to see if we would both like to 'have a go' at the Orchard business and live in the limestone house he had built. Our lives were rooted in Illinois, but we had been coming out to help with the pruning and the harvesting since 1987. My husband not so fondly recalls having no vacation breaks to speak of during his years in high school, having spent each summer digging the irrigation trenches and each tree hole by hand. So we both had somewhat of a vested interest in the place and wanted to try the rural life. We moved here with many hopes and dreams. The Kansas sunsets were unlike anything I had ever seen in Illinois. Being in charge of the household finances, I was used to spending less amounts of money living in Illinois. I suddenly had the rude awakening of the now hundreds, sometimes thousands of dollars it was going to take to live here, including the

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maintenance and operating costs of caring for our apportioned 9 acres. But we have persevered, my husband being a very skilled craftsman.

My father-in-law never guaranteed we would make a living selling apples, though he hinted at the possibility of someday turning a profit. Instead, he thought it more important that the fresh taste of our apples, the beauty of the place and the smiles on people's faces as they came down our driveway to our Orchard was the ultimate reward for all of our hard work. We have been tempted many times to go the way of those in the past whose sincerity at heart and honest intentions never seemed to pay off. There is very little incentive to continue when the harvest is over and you realize you haven't even made 50 cents an hour for your labor. A tax break would be nice.

In 1998, our gross receipts were \$2,747. I sent \$91 in to the State of Kansas for retail sales taxes after allowable deductions and had zero net profit.

For 1999, our gross receipts were \$6,741.96. I sent in \$39.37 in retail sales tax to the State of Kansas after allowable deductions. This year I'm sure we're in the minus again.

Apples tend to be biennial, meaning that they produce more abundantly every other year. This was supposed to be our "good year". We had major crop damage due to coddling moth and since I can't afford to hire anyone, some of our produce ended up on the ground or unpicked. I donated hundreds of pounds of "seconds" to local shelters and centers and then allowed "gleaning" for those who may not be able to afford to buy large quantities of fruit.

Five or more times in the 3 months we're open, I have schools, Troop leaders and others call and ask if they can bring out a bus or vanloads of children or the disabled for a tour. We don't have much to look at, but the groups with children claim that they want them to know that an apple grows on a tree and isn't something you get from a grocery store. This year is the first time I started charging \$1 per child. For that they get a bag to fill with the apples that they learn how to pick, a taste of cider and the "full" tour. I laugh and joke and quiz them the whole time while trying to keep up with them. We've had walls filled with Crayola drawings and Thank-you's.

In closing, my father-in-law is right. I may not have anything to show for it at the end of the year, except Popeye muscles and a sore back, very sore. But I know most of our customers on a first name basis and that they'll return again year after year. And I also have memories of the children's smiles and the fun they've had when they come out to our place.

I hope that the State of Kansas smiled too when they received their check from our small, struggling orchard business for \$39.37.

Afterall, happiness means different things to different people.

Sincerely,
Danna Taylor

SENATE BILL No. 502

By Committee on Assessment and Taxation

1-27

9 AN ACT allowing certain oil lease working interest property tax refunds;
10 repealing K.S.A. 1999 Supp. 79-32.208.

11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. (a) For all taxable years commencing after December 31,
13 1999, and subject to the provisions of this section, there shall be allowed
14 as a property tax refund to the operator of an oil lease an amount equal
15 to 50% of the total amount of property tax levied and actually and timely
16 paid by the operator for a property tax year which is attributable to the
17 working interest of an oil lease the average daily production per well from
18 which is 15 barrels or less when the price per barrel of oil is \$16 or less,
19 as prescribed in the oil and gas appraisal guide by the director of property
20 valuation for the applicable tax year. No refund shall be allowed for prop-
21 erty tax paid upon machinery and equipment for which a credit is claimed
22 pursuant to K.S.A. 1999 Supp. 79-32.206 and amendments thereto.

23 (b) No claim for a refund allowable pursuant to subsection (a) shall
24 be paid unless filed with and in possession of the department of revenue,
25 on or before April 15 of the year next succeeding the year in which such
26 taxes were paid, except that the director of taxation may extend the time
27 for filing any claim under the provisions of this act when good cause exists
28 therefor or accept a claim filed after the deadline for filing in the case
29 of sickness, absence or disability of the claimant if the claim has been
30 filed within three years of the deadline.

31 (c) The allowable amount of such claim shall be paid to the operator
32 from funds appropriated for such purposes upon warrants of the director
33 of accounts and reports pursuant to vouchers approved by the director of
34 taxation or by any person designated by the claimant, but no warrant
35 issued hereunder shall be drawn in an amount of less than \$5. No interest
36 shall be allowed on any payment made to an operator pursuant to this
37 section.

38 (d) The department of revenue shall devise and provide forms and
39 instructions necessary to administer this section, and the secretary of rev-
40 enue may adopt rules and regulations for such purpose.

41 Sec. 2. On and after January 1, 2001, K.S.A. 1999 Supp. 79-32.208
42 is hereby repealed.
43

when good cause exists therefor

(d) Insofar as the same may be made applicable, the provisions of K.S.A. 79-3226, and amendments thereto, shall apply to claims for refunds allowable pursuant to this section which may become in dispute.

(e)

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Attachment C