

SESSION OF 2005

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2297

As Recommended by House Committee on
Transportation

Brief*

HB 2297 would amend the Interstate Motor Fuel User Tax Act. The bill strikes language in existing law that exempts from paying the Kansas motor fuel tax (a) vehicles used exclusively within two contiguous cities which constitute a designated commercial zone and (b) out-of-state vehicles registered as farm trucks. The change would require these vehicles to purchase either a trip permit for \$13 or obtain an International Fuel Tax Agreement (IFTA) license from their base jurisdiction. This jurisdiction would collect fuel taxes for the amount of fuel used on Kansas roads and remit payment to Kansas.

Background

HB 2297 was requested and supported by the Kansas Motor Carriers Association (KMCA). The Executive Director the KMCA told the Committee that existing law allows a farm truck registered in another state to enter Kansas without purchasing a fuel permit or having an IFTA license. He said that this privilege, however, is not granted to Kansas farm registered vehicles when they operate in the surrounding states. He also noted that Missouri based vehicles that operate into Kansas in an area known as the Kansas City Commercial Zone do not pay fuel tax to Kansas for the miles operated in Kansas. Kansas vehicles, however, do pay the Missouri fuel tax for the miles operated on the Missouri side of the border.

No one testified against the bill.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The fiscal noted prepared by the Division of Budget states that by eliminating the exemptions, out-of-state carriers traveling in a commercial zone and farm vehicles registered in other states would be required to purchase Kansas trip permits. The Kansas Department of Revenue indicates this would increase revenues but is unable to estimate the number of trip permits that would be sold if the bill is enacted.