



**Senate Taxation Committee
Testimony in Opposition to SB 376
Submitted by Ron Seeber
on behalf of the
Kansas Agribusiness Retailers Association, Kansas Grain and Feed
Association, and Kansas Cooperative Council
March 7, 2012**

Thank you Chairman, members of the Senate Taxation Committee, I am Ron Seeber, Vice President of Government Affairs of the Kansas Grain and Feed Association (KGFA) and the Kansas Agribusiness Retailers Association (KARA). The KGFA is a voluntary state association with a membership encompassing the entire spectrum of the grain receiving, storage, processing and shipping industry in the state of Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA's membership includes over 700 agribusiness firms that are primarily retail facilities which supply fertilizers, crop protection chemicals, seed, petroleum products and agronomic expertise to Kansas farmers. KARA's membership base also includes ag-chemical and equipment manufacturing firms, distribution firms and various other businesses associated with the retail crop production industry. I am also representing Leslie Kaufman with the Kansas Cooperative Council. The KCC is a voluntary, statewide trade association representing all forms of cooperative businesses across the state -- agricultural, utility, credit, financial, refining and consumer cooperatives.

KGFA, KARA and KCC are opposed to Senate Bill 376, which would eliminate the sales tax exemptions found at K.S.A. 79-3606 (mm) sales of seeds, fertilizers and other inputs used to produce plants that help control soil erosion and (fff) which would remove the exemption for new purchases of equipment in grain warehouses. If adopted, S.B. 376 would substantially increase the annual tax burden on agricultural producers and agribusiness. The exemptions targeted in S.B. 376 are necessary to ensure farmers and ranchers, farmer-owned cooperatives, independent grain elevators and agribusiness retailers in Kansas are competitive with surrounding states. The impact of losing these exemptions would be devastating to all segments of the agriculture industry and the lost of business to surrounding states that currently maintain these exemptions would be immediate.

Colorado tried a similar repeal of such exemptions in 2010. After feeling the devastating impact to agribusiness in the state, Colorado reinstated the exemption in 2011.

KGFA, KARA, and KCC oppose the establishment of any new taxes, which would be a disincentive for economic development in the state by discouraging new businesses from expanding. We stand in opposition to S.B. 376 and hope this committee will refrain from taking action on this measure.

Sn. Assmnt & Tax
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Attachment # 21