TESTIMONY

concerning House Bill 2264

re. Taxation of Certain Oil and Gas Equipment and Materials

House Taxation Committee

Presented by Randall Allen, Executive Director

Kansas Association of Counties

February 3, 2016

Chairman Kleeb and members of the committee, I appreciate the opportunity to present testimony in opposition to HB 2264 on behalf of our Association and its 105 member counties.

HB 2264 would declare "certain" oil and gas property and equipment as commercial machinery and equipment. As such, any such equipment purchased on or after July 1, 2006 would immediately become exempt from property taxation.

We are unsure as what this "certain oil and gas property" includes or excludes. Nevertheless, the fiscal note to the state and local governments indicates that the bill would shift an ever increasing share of the tax burden to residential homes and small businesses. This shifting of taxation to the residual tax base continues to fuel growing resentment to the property tax among homeowners and small business owners.

We also object to this industry-specific exemption which advantages a relatively few while disadvantaging many more taxpayers.

The Kansas Association of Counties requests that the committee table this bill.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randall Allen or Melissa Wangemann by calling (785) 272-2585.