



Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
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March 18, 2021

To: House Committee on Taxation
From: Randy Stookey, Senior Vice President of Government Affairs, KGFA, KARA
Re: **Proponent Testimony on Senate Bill 49, extending the time period and expanding eligibility for the single city port authority income tax credit**

Chairman Smith and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 49. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA) and Kansas Agribusiness Retailers Association (KARA).

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. The KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is an agribusiness industry trade association whose membership of over 700 companies provides goods and services to Kansas farmers.

Kansas agricultural commodity producers continue to grow record bushels of corn, sorghum, wheat, soybeans and other commodities. Across Kansas, our member agribusinesses and commercial grain elevators work with those farmers to provide inputs and receive, store, and transport grain.

It is vital for our state economy that agricultural inputs are able to efficiently reach Kansas farmers, and Kansas produced grains are able to be economically transported to worldwide markets. While many Kansas agribusinesses and grain elevators rely on commercial trucking to transport inputs and commodities, others are located on rail lines and are able to take advantage of that efficient mode of transportation.

Senate Bill 49 would extend an important tax credit for a single city port authority. This existing tax credit has proven instrumental in helping to defray the costs of upgrades and maintenance to certain sectors of rail line on which our members depend. These maintenance projects include the installation of crossties and ballast, and tamping and regulating. This specific rail line is vital to our members that receive ag inputs and ship grain to Wichita for interchange with the Union Pacific and the Burlington Northern Santa Fe.

Without continued maintenance of the line, our members would be forced to transport agricultural inputs and grain by truck over Kansas highways. This would increase transportation costs, decrease the property values of the affected grain elevators, and add hundreds of trips by commercial truck onto Kansas roads. As such, this bill represents an investment in the Kansas economy.

For these reasons, we fully support this measure. Thank you for allowing us the opportunity to testify in support of Senate Bill 49. We would respectfully request that the committee pass the bill out favorably.