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To: Senate Committee on Assessment and Taxation
Senator Caryn Tyson, Chair

From: Dean Klahr, Director of Stockgrowers Division, Kansas Livestock Association

Re: **SB 509 AN ACT concerning sales and compensating use tax; relating to refunds; providing a refund of state tax paid on certain purchases to reconstruct, repair or replace buildings and improvements damaged by certain disasters.**

Date: March 2, 2022

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 5,700 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seed stock, cow-calf, and stocker cattle production; cattle feeding; dairy production; swine production; grazing land management; and diversified farming operations.

Thank you, Madam Chair, and members of the Committee, for the opportunity for testify. The Kansas Livestock Association (KLA) stands in support of SB 509.

Under current law, when agriculture property is destroyed by an extreme weather or a terrorism event, the labor to rebuild or replace the property damaged or destroyed is exempt from state sales tax. However, the materials to rebuild or replace the property are still subject to the state sales tax. SB 509 would change that and offer a sales tax refund on the materials purchased to replace or rebuild homes, facilities, fences and all other structures when the property has been damaged or destroyed by a fire, flood, tornado, lightning, explosion, windstorm, ice loading and attendant winds, terrorism or earthquake that occurred on and after January 1, 2021.

It should be noted this bill would offer a sales tax refund to those who had their property damaged or destroyed most recently by the extreme weather events that occurred on December 15, 2021. Over 163,000 acres of land burned that day as a result of wildfires across primarily North Central and Northwest Kansas. Hundreds of miles of fence and many homes, barns and outbuildings were destroyed or damaged. There were also numerous properties across the state that were damaged by straight-line winds that would receive a sales tax refund under this bill.

Thank you for this opportunity to present KLA's position supporting SB 509. KLA respectfully requests the committee to pass SB 509.