

SESSION OF 2005

SUPPLEMENTAL NOTE ON SENATE BILL NO. 158

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 158, as amended, would narrow an existing property tax exemption for certain farm storage and drying equipment to provide that the current exemption, which applies for any eight of the next 10 tax years following acquisition or construction, would not be renewable after that time period.

The bill would further provide a new property tax exemption effective for tax year 2005 for farm storage structures designed and predominantly used for hay storage. This new exemption similarly would be available for any eight of the next 10 tax years following construction or assembly and would sunset after this initial exemption period.

Background

Proponents included Senator Taddiken, the Kansas Livestock Association, and Kansas Farm Bureau. The original bill also would have extended the new "predominant use" exemption to certain cotton storage structures, but the Committee removed that provision from the bill at Senator Taddiken's suggestion.

A fiscal note indicated that the provision narrowing the existing exemption for farm storage and drying equipment would be expected to broaden the property tax base and state revenues to the extent of the 21.5 mills in state property tax levies, albeit by an indeterminate amount. The fiscal note also indicated that the new exemption for hay storage structures would be expected to narrow the property tax base and reduce state revenues, also by an indeterminate amount.

*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>

