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## TESTIMONY

Date: March 18, 2013

Before: The Senate Committee on Assessment & Taxation

By: Woody Moses, Managing Director  
Kansas Aggregate Producers' Association  
Kansas Ready Mixed Concrete Association

Regarding: SB 234, An act concerning the taxation of machinery and equipment in aggregate production

Good Morning Mr. Chair and Members of the Committee:

My name is Woody Moses, Managing Director of the Kansas Aggregate Producers' Association and the Kansas Ready Mixed Concrete Association. The Kansas Aggregate Producer's Association (KAPA) and the Kansas Ready Mixed Concrete Association (KRMCA) is a state wide trade association comprised of over 170 members located or conducting operations in all 165 legislative districts in this state, providing basic building materials to all Kansans. I appreciate the opportunity to appear before you today to express our support regarding SB 234.

SB 234, introduced at our request, is a bill which seeks to provide clarification or a "brightline", if you will, regarding the application of sale tax to the purchase of equipment for aggregate production under the "integrated plant" theory. The bill would simply codify, or place into statute, the sales tax policy our industry has been operating under for the last twenty years. A policy that simply states that all machinery or equipment used in aggregate production from the initial stripping to final stockpiling is exempt from the assessment of sales tax. This policy has been developed over the twenty years and four litigations before the Board of Tax Appeals (BOTA), the Kansas Court of Appeals, and the Kansas Supreme Court and your passage of HB 2011 in 2000. However, as it appears this policy is once again subject to reinterpretation by the

SN Assmnt & Tax

3/18/13

Attach't # 14

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