



Date: February 3, 2020
To: House Committee on Taxation
From: Kansas Corn Growers Association, Kansas Association of Wheat Growers, Kansas Soybean Association and Kansas Grain Sorghum Producers Association
RE: Proponent Testimony on HB 2460, providing an income tax credit for qualified railroad track maintenance expenditures of short line railroads.

Chairman Johnson and members of the committee, thank you for the opportunity to testify today on House Bill 2460. My name is Taylor Williamson. I am the Director of Government Affairs for Kansas Wheat, and I am here delivering a joint testimony on behalf of the Corn, Wheat, Soybean and Grain Sorghum Associations.

The Commodity Associations stand in support of our first purchasers and shippers in the state. These elevators and rail lines are vital to getting our commodities from the farm to areas of consumption and need. We believe that maintaining safe and reliable rail lines is of utmost importance to the state's agricultural economy as it allows our commodities to flow efficiently to market.

This bill is an investment into agriculture's infrastructure. It makes maintaining and upgrading short line rail more affordable, allowing farmers and elevators to move more grain at higher speeds using larger railcars. With new trade deals promising more exports, it is important that we are able to move bigger volumes, more quickly, and as safely as possible. As farmers produce and move more commodities, it is important that we, as a state, invest in the infrastructure which allows that to happen.

Further, our first purchasers, the grain elevators across Kansas, often own or lease rail siding along short line rail. For them to continue to receive larger cars, they must maintain the same level of investment in upgrades and upkeep as the rest of the rail lines. Thus, Kansas Wheat is supportive of the Kansas Grain and Feed Association amendment that extends the income tax credit to owners or lessees of rail siding located along Class II or Class III railroads.

Thank you for allowing us to testify in support of House Bill 2460. We request that the Committee accept the KGFA amendment to extend the income tax credit, and then pass the bill out favorably as amended. I will stand for questions at the correct time. Thank you.