



Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas Biofuels Association
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February 17, 2021

To: House Committee on Taxation
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel
Re: **Joint, Proponent Testimony on House Bill 2239, extending the Kansas corporate income tax net operating loss carryforward**

Chairman Smith and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 2239. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association (Renew Kansas).

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. 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 includes over 700 companies across Kansas. Renew Kansas is the trade association of the Kansas biofuels processing industry.

Across Kansas, our member grain elevators, biofuel processing plants, and agribusiness facilities contribute to the Kansas economy and provide gainful employment for thousands of Kansans. These industries also function as good corporate citizens, paying millions of dollars annually in property taxes that help support schools and local government.

The ability of our agribusiness members to operate a competitive or profitable business is often determined by the amount of fixed costs they must pay, such as taxes.

It is widely understood that the agricultural economy experiences wide swings due to such things as regional weather patterns and international geopolitics. Such events widely impact the price of agricultural commodities, and the bottom lines of participants in the agricultural industry, from year to year.

The proposed legislation would allow taxpayers to take a net operating loss deduction (as allowed under the federal tax code). The provisions of the bill would allow the taxpayer to carry those deductions forward for 20 taxable years following the taxable year of the net operating loss.

This bill represents sound public tax policy for Kansas and Kansas businesses. For that reason, we stand in support the measure.

Thank you for allowing us the opportunity to testify in support of House Bill 2239. We would respectfully request that the committee pass the bill out favorably.