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**State of Kansas  
Department of Revenue  
Notice of Hearing on Proposed Administrative Regulation**

A public hearing will be conducted by the Department of Revenue at 9:00 a.m. on Monday, September 22, 2014, in Room 230, Secretary's Conference Room on the second floor of the Docking State Office Building, 915 SW Harrison, Topeka to consider an amendment and revocation to liquefied petroleum fuel tax regulations. Copies of these proposed regulations may be found at [www.ksrevenue.org](http://www.ksrevenue.org).

This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written comments from the public on the proposed regulations. All interested parties may submit written public comments on the proposed regulations prior to the hearing to Kathleen Smith, Tax Specialist, Office of Policy and Research, Room 230, Docking State Office Building, 915 SW Harrison, Topeka, Kansas 66612 or through e-mail at [kathleen.smith@kdor.ks.gov](mailto:kathleen.smith@kdor.ks.gov).

All interested parties will be given a reasonable opportunity to present their views, either orally or in writing or both, concerning the adoption of the proposed regulations. In order to give all parties an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulations and economic impact statements in an accessible format. Requests for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Kathleen Smith at (785) 296-3081 or TTY (785) 296-6461. Disabled parking is located in State Parking Lot No. 2, south of the Docking Building facing Harrison Street. The east entrance to the Docking Building is accessible.

These regulations are proposed for adoption on a permanent basis. A summary of the proposed regulations and the economic impacts follows:

**Kansas Department of Revenue  
Article 14. Liquefied Petroleum Fuel Tax**

**Amendments to K.A.R. 92-14-6.** K.A.R. 92-14-6 clarifies that the retailer must record the user's permit number and name on the sales invoice if Liquefied Petroleum Fuel Tax is not collected.

**Economic Impact:**

The Department of Revenue does not anticipate any impact on the department, other government agencies, or private businesses or individuals.

**Revocation of K.A.R. 92-14-9.** K.A.R. 92-14-9 deletes the compressed natural gas conversion formula from regulations. Liquefied Natural Gas and Compressed Natural Gas conversion formulas were changed and are now included in K.S.A. 79-3492.

**Economic Impact:**

The Department of Revenue does not anticipate any impact on the department, other government agencies, or private businesses or individuals.

A copy of these regulations and the economic impact statements may be obtained from the Kansas Department of Revenue, Office of Policy and Research, Room 230, Docking State Office Building, 915 SW Harrison, Topeka, Kansas 66612-1588 or via our website: [www.ksrevenue.org](http://www.ksrevenue.org).

**92-14-6. Sales of LP gas to special LP-gas permit users; use of special**

**LP-gas permit user decals.** (a) Each operator of any motor vehicle that bears a Kansas special permit LP-gas user decal shall either self-report tax on the use of LP gas on a mileage basis or pay the tax in advance, ~~as provided by~~ pursuant to K.S.A. 79-3492a through K.S.A. 79-3492c, and amendments thereto. Each LP-gas dealer ~~dealer~~ who deliver ~~delivers~~ gas into the ~~tanks~~ tank of ~~vehicles~~ any vehicle that ~~bear~~ bears a permit ~~decals~~ decal shall record the user's permit number and name on the sales invoice if tax is not collect tax collected on the sales, ~~but shall record the user's permit number and name on the sales invoice~~ sale.

(b) Except as provided in subsection (c), if a motor vehicle that is authorized to operate under a special LP-gas user permit is destroyed, sold, traded, or otherwise disposed of before the end of a calendar year, or if for any other reason the permit holder removes the decal from the vehicle, the permit holder shall immediately notify the director of taxation in writing of the nature of the vehicle transfer or the destruction of the decal. Failure to remove a permit decal from a vehicle that has been disposed of and to notify the director shall be grounds for cancellation of the authorization to operate on a mileage basis.

(c) If a permit holder sells a vehicle that is registered for LP-gas purposes to another permit holder or to a person who is applying for a permit, the purchaser may request the transfer of the permit, decal, and all other related rights and obligations to the purchaser. This transfer may be authorized by the director.

(d) If taxes have been paid in advance on a motor vehicle that is destroyed, sold, traded, otherwise disposed of, or converted from LP-gas use before the first of December in any year, the permit holder may apply for a refund of the taxes.

(e) Special LP-gas permit user decals shall be issued on a calendar-year basis. The decals shall be placed inside on the lower driver's side of the windshield. (Authorized by K.S.A. 79-34,102; implementing K.S.A. ~~2000~~ 2013 Supp. 79-3491a, ~~as amended by L. 2001, Ch. 5, § 456~~, K.S.A. 79-3492a, K.S.A. ~~2000~~ 2013 Supp. 79-3492b, K.S.A. 79-3492c, 79-3492d; effective, E-73-20, July 1, 1973; effective Jan. 1, 1974; amended March 29, 2002; amended P-  
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**92-14-9.** (Authorized by K.S.A. 79-34,102; implementing K.S.A. 79-3490, 79-3492; effective May 1, 1982; amended May 1, 1983; amended March 29, 2002; revoked P-\_\_\_\_\_.)



**KANSAS DEPARTMENT OF REVENUE  
ECONOMIC IMPACT STATEMENT  
K.A.R. 92-14-6**

**I. Summary of Regulation to be Adopted.**

K.A.R. 92-14-6 clarifies that the retailer must record the user's permit number and name on the sales invoice if Liquefied Petroleum Fuel Tax is not collected.

**II. Reason or Reasons the Adopted Regulation is Required, Including Whether or not the Regulation is Mandated by Federal Law.**

Previously the regulation stated the Liquefied Petroleum Fuel Tax shall not be collected on the sale when the customer has a permit, the user's permit number and name shall be recorded on the sales invoice. Due to changes to the market place, unmanned LNG/CNG stations will be unable to determine valid permit holders at the time of the sell. The change is to allow for those situations and only collect permit holders information when tax is not charged.

This regulation is not mandated by federal law.

**III. Anticipated Economic Impact upon the Kansas Department of Revenue.**

The change of this regulation would result in no economic impact to the Kansas Department of Revenue.

**IV. Anticipated Financial Impact upon Other Government Agencies and upon Private Business or Individuals.**

The Department of Revenue does not anticipate any economic impact upon other government agencies, private businesses or individuals.

**V. Description of any Less Costly or Less Intrusive Methods that were Considered by the Department of Revenue for Achieving the State Purpose of the Regulation and the Reason that those Methods were Rejected in Favor of the Adopted Regulation.**

None.



**KANSAS DEPARTMENT OF REVENUE  
ECONOMIC IMPACT STATEMENT  
K.A.R. 92-14-9**

**VI. Summary of Regulation to be Revoked.**

K.A.R. 92-14-9 deletes the compressed natural gas conversion formula from regulations. Liquefied Natural Gas and Compressed Natural Gas conversion formulas were changed and are now included in K.S.A. 79-3492.

**VII. Reason or Reasons the Adopted Regulation is Required, Including Whether or not the Regulation is Mandated by Federal Law.**

2014 Legislative Session passed House Bill 2057 which included LP-gas motor fuel tax conversion for Liquefied Natural Gas to a Diesel Gallon Equivalent (DGE) and Compressed Natural Gas to a Gasoline Gallon Equivalent (GGE).

This regulation is not mandated by federal law.

**VIII. Anticipated Economic Impact upon the Kansas Department of Revenue.**

The deletion of this regulation would result in no economic impact to the Kansas Department of Revenue.

**IX. Anticipated Financial Impact upon Other Government Agencies and upon Private Business or Individuals.**

The Department of Revenue does not anticipate any economic impact upon other government agencies, private businesses or individuals.

**X. Description of any Less Costly or Less Intrusive Methods that were Considered by the Department of Revenue for Achieving the State Purpose of the Regulation and the Reason that those Methods were Rejected in Favor of the Adopted Regulation.**

None.