

FF12: Judge finds KS Dept of Revenue discriminated against railroads in taxing



By Devon Fasbinder | Posted: Wed 2:33 PM, Jun 06, 2018


TOPEKA, Kan. (KWCH) A judge found the Kansas Department of Revenue discriminated against several railroad companies in Kansas by charging more in taxes compared to other properties across the state.

An attorney for the railroad companies filed a complaint in federal court in May trying to keep the Kansas Department of Revenue from collecting certain taxes for the 2018 assessment year saying the taxes were "discriminatory" and "unlawful."

The Kansas Department of Revenue is responsible for the appraisal and assessment of railroad property and the railroad companies in this case said KDOR assessed their property higher than other commercial and industrial taxpayers.

For example, the railroad companies said KDOR assessed the rail transportation personal property at a ratio of assessed value to true market value of no less than 25% while they said other taxpayers were assessed at a ratio of no more than 10%.

Similarly, the railroad companies said KDOR assessed the transportation real property at a ratio of no less than 25% while other taxpayers were assessed at a ratio of no more than 17.36%.

A judge ordered KDOR to assess the railroad property at the same percentages other taxpayers saw. 
The ruling is for the 2018 tax year.

Those taxes were for the assessment of railroad property in Kansas for several companies including...

- BNSF Railway Company
- Cimarron Valley Racilroad, LC
- Kansas & Oklahoma Railroad, Inc.
- Kansas City Terminal Railway Company
- Kyle Railroad Company
- Nebraska, Kansas & Colorado Railnet
- Norfolk Southern Railway Company
- South Kansas & Oklahoma Railroad
- The Kansas City Southern Railway Company
- The St. Joseph & Grand Island Railway Company
- Union Pacific/Missouri Pacific Railroad Company
- Kaw River Railroad, LLC
- Wichita Union Terminal Railway Company

A KDOR spokesperson said the department doesn't comment on litigation.

FactFinder 12 contacted the attorney for the railroad companies but has not heard back.

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