



An Equal Opportunity Provider & Employer

A Touchstone Energy® Cooperative 

P.O. Box 278, WaKeeney, KS 67672  
800-456-6720

[www.westerncoop.com](http://www.westerncoop.com)  
[www.facebook.com/WesternCoopElectric](https://www.facebook.com/WesternCoopElectric)

# WESTERN COOPERATIVE ELECTRIC NEWS

## Western Cooperative Electric, Inc.

### Board of Trustees

**Craig Crossland**

President

**Terry Hobbs**

Vice President

**Richard Schaus**

Secretary-Treasurer

**Landon Heier**

Trustee

**Frank Joy**

Trustee

**Marvin Keller**

Trustee

**Charles Luetters**

Trustee

**Susan Rohleder**

Trustee

**Dale Weinhold**

Trustee

### General Manager

**Tom Ruth**

General Manager

### Contact Us

635 S. 13th Street  
P.O. Box 278, WaKeeney, KS 67672  
785-743-5561  
FAX: 785-743-2717  
[www.westerncoop.com](http://www.westerncoop.com)

### Like us on Facebook

Be sure to LIKE us on Facebook! Just go to [www.facebook.com/WesternCoopElectric](http://www.facebook.com/WesternCoopElectric) to find co-op news, energy tips, photos from co-op events and more!



## FROM THE MANAGER

# Sales & Use Tax Exemptions



Tom Ruth

Some electric-ity purchases are exempt from sales tax. Are you taking advantage of all the eligible exemptions?

Eligibility for sales and use tax is determined by

the state. Are you at risk for a sales tax assessment if your farm or business is audited by the Kansas Department of Revenue? Sales taxes, along with income and property taxes, are collected by state and local governments to fund public services and infrastructure like public buildings, roads, schools, parks, libraries, and police and fire protection.

While we are re-quired to pay our fair share, no one should pay more than is required.

### Sales Tax Rates

Sales tax rates vary across the state depending on where the purchase is made. The Kansas state sales tax is 6.50%, and most coun-ties and cities

charge an additional amount. Depending on your location, county and city rates combined can be an additional 2-3%. Sales taxes can add 9% or more to your electric bill.

### Exemptions

Not all electricity purchases are taxed the same. It depends on whether the electricity is used in a home or a business, for agricultural use, in a com-mercial or office building, for pumping oil, in a factory and “consumed in pro-duction” or in a not-for-profit nursing home, just to name a few examples. Furthermore, some uses are exempt from state taxes, but not local taxes. Some consumers can claim exemption on only part of their use.

*Continued on page 16B ▶*

Electricity Use	State	Local
Residential	Exempt	Taxable
Agricultural - e.g. barn lighting, outdoor area lighting, building HVAC in non-production areas, water heating for washing dairy equipment, main-tenance shop use (air compressor, power tools, welder, grinder, engine heater, etc.), and fence charger.	Exempt	Taxable
Oil production	Exempt	Exempt
Not-for-profit hospitals, nursing facilities and children's homes	Exempt	Exempt
Commercial	Taxable	Taxable
Consumed in production -E.g. manufacturing facilities, irrigation of crops, pumping water and grinding feed for livestock, milking and processing equipment, grain handling and drying, and building HVAC for animal confinement facilities	Exempt	Exempt
Schools, government and churches	Exempt	Exempt

## Sales & Use Tax Exemptions *Continued from page 16A* ▶

Most of the categories are self-explanatory, but “agricultural use” and “consumed in production” can overlap and are often misunderstood.

### Agricultural Use

Like residential use, agricultural use is exempt from state taxes, but not local taxes. Agricultural use is electricity used on the farm or ranch related to growing or raising of agricultural commodities for resale such as livestock, poultry, fish and bees, grains, feed, fruits, vegetables and plants.

### Consumed in Production Use

While all electricity used on the farm or ranch qualifies as agricultural use and exempt from state taxes, some uses will additionally qualify as “consumed in production” and are exempt from both state and local taxes. In order for electricity to be considered “consumed in production,” it:

1. Must be essential or necessary;
2. Must be used in the actual process;
3. Must be immediately consumed;
4. Must be used in the production of tangible personal property; and
5. Cannot be reusable. Shipping, testing, repairing, servicing, maintaining and storing do not qualify for the consumed in production exemption.

### Exemption Certificate

Other than residential use, all other exemptions are not automatic. You must complete and submit an exemption certificate to Western Cooperative Electric before you can receive exemption. You can download a copy of exemption Form ST-28B from the Kansas Department of Revenue’s (KDR) website or request a copy from the cooperative’s office. The link to KDR is found on Western’s website at <https://www.westerncoop.com/sales-tax-info>. Guidance specific to sales and use tax

related to the agricultural industry is found in publication KS-1550. <https://www.ksrevenue.org/pdf/pub1550.pdf>.

You do not need to submit an exemption form to claim the residential exemption. All other exemptions require a completed form. In some cases, you may have both exempt and non-exempt uses on the same meter. In that case, if you claim a partial exemption, the exemption form must be accompanied by a third-party utility study. The member would be responsible for contracting a vendor to perform the study to provide documentation supporting the partial exemption percentage.

Sales taxes can be complicated. Your tax adviser can help you determine your eligibility for sales tax exemptions.

This information is provided for educational purposes only and not for the purpose of providing legal advice.

## I Collided with Electrical Equipment: Now What?

We all think it will never happen to us, but it can, and in an instant. Drivers veer off the road and run into a power pole. Farmers sometimes make contact with a power line while driving tractors or other machinery. Dump or feed truck drivers raise or lower their bed and snag a power line.

People can become dangerously close or enter electricity’s path. Knowing what to do in that situation can save your life. Incidents with power lines or other utility equipment break the electrical current’s usual path. This can make the ground, vehicles and other equipment electrified.

If you hit a power pole, pad-mounted transformer (“green box”) or other electrical equipment, **DO NOT** get out of the vehicle or cab. Instead, call 911 and wait for utility crews to come and de-energize power. Here are some examples; in all instances, call 911:

- ▶ Your tractor or car strikes a guy wire (guy wires are the wires staked into the ground that stabilize utility poles). Under normal conditions, the guy wire is neutral, but if

the wire is weakened, pulled out of the ground or otherwise damaged, it could become energized.

- ▶ You hydroplane in a rainstorm, go off the road and hit a utility pole. Or you are in a car accident and one of the vehicles strikes a power pole. Only get out of the car if there is smoke or fire; otherwise, stay put. If there is a fire, make a clean jump or hop from your car or truck, without touching it, and hop with your feet together or shuffle keeping your feet on the ground at least 30 feet to safety. Think of the downed line sending electrical current across the ground in a ripple-like effect. Each ring of the ripple represents a different voltage. If you step from one ring to another, this is called step potential and it can electrocute you.
- ▶ You see an accident that involves a downed power line. **DO NOT** approach the scene.
- ▶ You hit a pad-mounted transformer or other type of electrical box.
- ▶ Your vehicle hits a substation.

- ▶ You ran off the road, hit a pole and it’s dark out, but **YOU DON’T KNOW** if lines are down.

### Other Situations

- ▶ You get something stuck in power lines, like a drone, kite or remote-control device. Do not try to retrieve it.
- ▶ You see kids climbing or sitting on pad-mounted transformers. Tell them not to sit or play on it.
- ▶ You are carrying a tall ladder or pole — look up for power line locations and keep at least a 10-foot clearance at all times.
- ▶ You see kids climb trees that have power lines above — warn them not to climb trees near power lines.
- ▶ You are using a portable generator — never plug it into a wall outlet. This can cause backfeed into the line and kill a lineworker or neighbor.

For questions about any of these scenarios, call member services at 800-456-6720.



## Once Bills are Paid, Put Stimulus Money into Savings

### K-State experts advise same goes if you are expecting a tax refund

If you've received — or will be receiving — a stimulus check from the federal government, it's a good idea to have a plan for what you will do with that money.

What you should not do, say a trio of K-State experts, is go out and spend it on things you may not need right now.

"I think you should save every penny you can," said Susie Latta, a family and consumer sciences agent with the K-State Research and Extension office in Marshall County. "Don't buy things you don't really need or purchase subscriptions that aren't really necessary like Netflix, Hulu, iRacing and so on. Only buy such things as food and supplies that you will use."

The federal Coronavirus Aid, Relief and Economic Security Act — better known as CARES — provides a one-time payment to tax-paying Americans based on the adjusted gross income in their 2018 or 2019 taxes. Depending on income levels and whether the taxpayer is married and has children, the payment could be \$3,000 or more.

"The best use of that money if you're currently unemployed is to pay your bills, including house payments, utilities and food," said Gary Fike, director of the K-State Research and Extension office in Riley County.

"But if you're still working and you still have income, the best use of that money is toward reducing debt," Fike said. "Eighty percent of Americans live paycheck to paycheck and it's because for the most part, we are up to our eyeballs in debt. So, take that \$3,000 and pay down some existing debt, whether it be a car loan, student loan, hospital bills or consumer credit."

Debra Wood, a family resources management agent in the Central Kansas Extension District, said that for some people, medicine is a critical expense. And, if you're working from home, maintaining internet service is another necessity.

"It is important to list all bills and prioritize," Wood said. "If you have never used a budget, now is a good time to start. We can't really get a handle on our finances until we know what resources we have and where the money is going."

By asking yourself a few questions, Wood said you can get a handle on what course of action is best for you and your family.

- ▶ What will happen if I don't pay this bill?
- ▶ What are those expenses needed to stay in the house and keep the utilities connected?
- ▶ What things do I need to keep or get a job?
- ▶ What insurance do I need to pay — car insurance, health insurance, home or renters' insurance?

"Some companies have special programs to help people right now, so if there are bills that can't be paid, reach out to

those businesses or creditors to see if you can put some of them on hold temporarily," Wood said.

Fike added that if you are in the enviable position of not having debt, put the money into an interest-bearing savings account or CD to use in an emergency.

"If we all lost our jobs tomorrow, there would be a lot of people who would have a difficult time keeping up payments on a house or a car," Fike said. "When we live paycheck to paycheck, it becomes critical that we don't go into default on a loan or have some of those difficulties staring us in the face."

There is a lot of uncertainty right now," Wood added. "We don't know how long this is going to last, and those who still have a job will be better prepared for the future in the event of a job loss if they can cut out unnecessary spending now and save that money."

Latta added that other ways to save money include mowing your own lawn instead of hiring it done; sell stuff you don't want or need anymore; plant a garden; and use things you have versus buying something new.

"If you've lost your job, I encourage people to apply for SNAP benefits," she said, referring to the Supplemental Nutrition Assistance Program ([bit.ly/covidsnapks](https://bit.ly/covidsnapks)) administered by the U.S. Department of Agriculture. "That program is increasing benefits and has waived requirements due to the pandemic. In the past, some single households may have received a very small benefit of \$12 but with the pandemic, benefits may have increased to as much as \$194 for April and May."

The IRS and the Kansas Department of Revenue recently pushed back the filing deadline for 2019 taxes to July 15. "Those who have not yet filed and are expecting a refund should file as soon as possible," Wood said. "That refund can help to cover the shortfall from a job loss."

"Recently I got a little bit of a chastising from somebody who said they're supposed to go out and spend this money to stimulate the economy," Fike said. "If you've got everything else paid up, sure, go out and spend that money."

"But when you're talking about survivability, and you're talking about making all your bills so that what you do have isn't taken away, your first responsibility should be toward paying that debt down and forgetting about everything else. It doesn't stimulate the economy, but it makes us more financially able to weather storms when they come, like this one."

**More financial resources for individuals and families are available online from K-State Research and Extension's [www.k-state.edu/family-finances/](http://www.k-state.edu/family-finances/) program. More general information about working and living through the COVID-19 pandemic is available at [www.ksre.k-state.edu/news/stories/about-us/covid-19-extension.html](http://www.ksre.k-state.edu/news/stories/about-us/covid-19-extension.html).**

# SUMMER ENERGY SAVINGS WORD SEARCH

When you save energy at home, you're helping your family save money and protecting our environment.

READ THE ENERGY-SAVING TIPS BELOW, THEN FIND AND CIRCLE THE **BOLDED** WORDS IN THE PUZZLE.



I	D	E	S	N	I	A	T	R	U	C	G	W	W	E
S	F	B	L	J	Z	S	M	H	R	R	B	S	K	S
G	H	G	S	E	B	O	R	V	S	Z	N	O	S	D
G	M	M	C	E	C	K	Z	G	I	D	M	C	L	T
J	A	A	T	G	Z	T	M	Q	I	B	H	M	O	W
T	D	L	X	J	L	H	R	S	I	L	T	E	W	I
M	J	C	O	E	P	Y	H	O	V	E	I	U	C	N
T	X	J	Y	H	G	W	X	A	N	F	A	A	O	J
R	F	K	E	H	A	L	T	A	L	I	L	U	O	D
K	E	S	X	S	H	Q	B	S	L	V	C	Z	K	W
J	C	T	H	G	F	M	X	Z	R	A	O	S	E	T
M	C	E	A	C	Z	I	G	V	Q	E	R	E	R	F
C	R	G	K	W	O	A	T	N	O	Z	F	I	S	T
Y	C	R	I	T	E	B	O	H	E	M	D	Y	F	Q
P	H	O	N	E	C	H	A	R	G	E	R	S	C	H

- ▶ Close blinds and **curtains** on hot, sunny days to block additional heat from entering your home.
- ▶ Turn off lights and **electronics**, like TVs and stereos, when you leave a room.
- ▶ Only clean full loads of dishes when you run the **dishwasher**.

- ▶ Turn off the **water** while you brush your teeth.
- ▶ Cooking with smaller appliances like **slow cookers** and toaster ovens uses less energy than larger appliances.
- ▶ Unplug **phone chargers** when they're not in use — they consume energy even when they aren't charging devices.