

A Touchstone Energy® Cooperative 

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WESTERN COOPERATIVE ELECTRIC NEWS

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cooperative news, energy tips, photos from cooperative events and much more!

Are You Paying More than Your Fair Share in Taxes?

Did you know that some electricity purchases are exempt from sales tax? Are you taking advantage of all the eligible exemptions? 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, police and fire protection. While we are required 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 percent, and most counties and cities charge an additional amount. Depending on your location, county and city rates combined can be an additional 2 to 3 percent. Sales taxes can add 9 percent 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 commercial or office building, for pumping oil, in a factory and “consumed in production” 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. And if that’s not complicated enough, some consumers can exempt only part of their use. It can be confusing!

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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, maintenance 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 & 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 & churches	Exempt	Exempt

Attention High School Juniors—Apply



Each year, students from Kansas join more than 1,700 youth in Washington, D.C., to attend the Electric Cooperative Youth Tour. Next year's Youth Tour is scheduled for June 8-15, 2017.



From left: Terran Homburg and Taylor Keller stop for a photo in front of the Capitol.

“Learning about co-ops has inspired me to see group cooperation in a different manner. The history of our electric co-ops shows what a determined group of people can really accomplish.” **TAYLOR KELLER, 2016 YOUTH TOUR PARTICIPANT**

Each year, Western Cooperative Electric offers free trips to four youth in our membership. If you are a high school junior whose parents/guardians are Western members, you are eligible to enter this contest.

Two winners will be chosen to join more than 1,700 young people in Washington, D.C., for the Electric Cooperative Youth Tour June 8-15, 2017. You will visit the state capitol in Topeka before flying to Washington, D.C. There you will learn about the U.S. government through visits with senators and our congressional delegation, meetings with youth from other states and tours of museums, Capitol Hill and Arlington National Cemetery.

To see what's in store, visit <http://bit.ly/dcytvideo2015>.

Two winners will be chosen to attend the Cooperative Youth

Scan these Codes to Get More Information

Washington, D.C.



Steamboat Springs, CO



Download a free scanning app in the **Apple App Store** or **Google Play**.

Leadership Camp in Steamboat Springs, Colo., July 14-20, 2017.

Campers stay at the scenic Glen Eden Resort in the beautiful Rocky Mountains. At camp, you will join winners from other co-ops in Kansas, Colorado, Oklahoma and Wyoming to form one of the most outstanding leadership camps in the country.

Get more information at <http://>

bit.ly/CYLCVideo.

In addition to the trips, each winner will receive a \$250 scholarship. An additional \$250 scholarship is being offered as a memorial for past Board Trustee Darrell J. Brown.

To apply, students submit an application and resume, take an open book quiz and write a short essay on a topic to be announced. Based on these items, finalists will be selected for an interview at the Western office Sunday, Feb. 19, 2017.

You may complete the entry coupon at right, which also can be downloaded from Western's website www.westerncoop.com.

All entry coupons must be received by Jan. 15, 2017. For more information contact Janet Geist or Dennis Deines at 785-743-5561 or 800-456-6720.

for Trip & Scholarship Opportunities



From left: Emma Klein and Ally Arnhold at the 2016 Cooperative Youth Leadership Camp.



Kansas delegates attend Cooperative Youth Leadership Camp along with students from three other states to develop leadership skills and learn about cooperatives. The 2017 camp will be July 14-20.

“I enjoyed learning new leadership skills. I feel as though I am now able to take these new skills and apply them to my daily life.” **EMMA KLEIN, 2016 CAMP PARTICIPANT**

Youth Tour Contest Entry Coupon

For an eligible high school junior to enter the competition, the cooperative office should receive this coupon by Jan. 17, 2017. Mail or bring to: Western Cooperative Electric Association Inc., 635 S. 13th St., P.O. Box 278, WaKeeney, KS 67672.

Name of applicant _____ Student email _____

Address _____ Town _____ Zip _____

Birth date _____ Student phone number _____ Year in school _____

Name of parents or guardian _____ Electric account number _____

Parents' phone number _____ Parents' email _____ School _____

I agree that all information supplied in this application is accurate and true. _____
(Signature of applicant)

I hereby grant permission for _____ to enter the 2017 Youth Tour competition sponsored by Western Cooperative Electric Inc.

(Signature of parent or legal guardian)

Get to Know Your Western Cooperative Electric Staff

Shelli Nowlin

Billing Clerk



Shelli Nowlin

TELL US ABOUT YOUR FAMILY.

My husband, Bill, and I have grown children and three granddaughters. We also have two dogs: Tucker and Lakyn.

HOW LONG HAVE YOU WORKED AT WESTERN?

Seven and a half years.

WHERE ARE YOU FROM ORIGINALLY?

I was born in Hays, grew up in Studley, went to grade school in Hoxie, finished high school in WaKeeney—I have been here ever since.

WHAT DO YOU LIKE TO DO IN YOUR SPARE TIME?

I enjoy attending bible study, exercising, and spending time with my family.

WHAT ACCOMPLISHMENT ARE YOU MOST PROUD OF?

Being married for 27 years and raising three successful children.

WHAT HAS BEEN YOUR FAVORITE VACATION?

Horseback riding with the hubby.

WHAT IS YOUR FAVORITE MOVIE OR BOOK AND WHY?

Pretty Woman—Who wouldn't want to be swept off their feet by a handsome, rich guy. But I guess I already was!

WHAT IS SOMETHING PEOPLE DON'T KNOW ABOUT YOU?

I'm going bald.

WHAT SPORT OR TEAM IS YOUR FAVORITE?

Kansas City Royals and Kansas City Chiefs

WHO HAS INSPIRED YOU IN YOUR LIFE AND WHY?

My Lord and Savior Jesus Christ. I want to be more like Him.

Are You Paying More than Your Fair Share in Taxes?

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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, cleaning the equipment and physical plant 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 your electricity provider before you can receive exemption. You can download a copy of Form ST-28B from the Kansas Department of Revenue's website or request a copy from the cooperative's office. 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, you must claim a partial exemption that must be accompanied by a utility study supporting the partial exemption percentage.

Sales taxes can be complicated; your tax adviser can help you determine whether you are missing out on any sales tax exemptions.

Tip of the Month

Electric bills increase during the winter for a variety of reasons—holiday gatherings, houseguests, and shorter days and longer nights. Small measures, like turning down your thermostat, replacing incandescent bulbs with LEDs and washing clothes in cold water can help control energy costs.

Holiday Office Closings

Our office will be closed the following dates during the upcoming holiday season:

Christmas

▶ Monday, Dec. 26

New Year's 2017

▶ Monday, Jan. 2

Western Cooperative Electric would like to wish you and your family a joyful and safe festive season.

