



Economic Lifelines

*Stimulating Economic Vitality
Through Leadership in Infrastructure Development*

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TO: House Tax Committee
FROM: Travis Lowe
Economic Lifelines
RE: Neutral Testimony of HB 2484
DATE: January 25, 2022

Mr. Chair and members of the committee,
On behalf of Economic Lifelines, thank you for the opportunity to present feedback on HB 2484.

Economic Lifelines serves as a state-wide coalition supporting Kansas transportation and infrastructure policy. Economic Lifelines is proud to represent over 60 members, consisting of private businesses, trade associations, local units of government and local chambers of commerce located in Kansas.

As the Senate, House and Administration discuss the concept of reducing or eliminating the state sales tax on food, the purpose of our remarks is to bring awareness to a key component of interest to our membership. If and/or when the Committee takes action on this bill, or similar food sales tax legislation, Economic Lifelines respectfully requests the inclusion of an amendment to hold the State Highway Fund harmless by re-adjusting the designated percentage.

16.15% of the state sales tax is currently designated for the State Highway Fund. As food sales tax proposals are reviewed, Economic Lifelines requests the adjustment of the percentage to ensure the same amount of support is continued for the State Highway Fund.

Economic Lifelines is extremely appreciative of the Legislature's 2020 passage of the IKE Ten-Year Comprehensive Transportation Plan. With the plan in law, combined with the recent success of reducing extraordinary transfers from the State Highway Fund, the IKE Plan is moving forward to improve infrastructure across the state. The IKE Plan and its commitment to the state was approved under the assumption of this sustained funding source. If there is not an adjustment, the State Highway Fund will experience a large shortfall, undoing all the recent progress made by the Legislature in recent years to suspend the transfers from the State Highway Fund.

Economic Lifelines is happy to work with the committee to craft such an amendment at the appropriate time.

Thank you for the opportunity to submit this testimony.