

March 16, 2023

Testimony to the House Committee on Taxation

NAME: **Leslie D. Mark**

TITLE: **Kansas Citizen / Voter**

EMAIL ADDRESS: **ldmark61@gmail.com**

BILL NUMBER: **HB2457, *Providing an income tax rate of 4.95% for individuals and decreasing the normal tax for corporations, increasing the income limit for the income tax subtraction modification for social security income and providing that all social security income qualifies for the subtraction modification commencing in tax year 2026, increasing the Kansas standard deduction for individuals and further increasing the standard deduction by a cost-of-living adjustment, discontinuing the food sales tax credit, decreasing the privilege tax surtax, establishing a 0% state rate for sales and use taxes for food and food ingredients on July 1, 2023, and increasing the extent of property tax exemption for residential property from the statewide school levy.***

PROPONENT, OPPONENT, or NEUTRAL: **Opponent**

ORAL or WRITTEN ONLY TESTIMONY: **Written Only**

Dear Chair Smith & Members of the Committee,

HB 2457 would create a 4.95% tax rate for all individuals, which is seemingly simple and straightforward. But the argument that these effective tax cuts for the rich will dramatically increase economic growth has been consistently refuted by experience. A 2011 study by economists Piketty, Saez, and Stantcheva analyzed economies and tax systems of 18 developed countries (including the US), it found no observable correlation between reductions in top tax rates and economic growth. Further, we know from years spent digging out from the burden of gaping budget holes in Kansas left by Brownback's "experiment," these budget busters collapse policy deliverables and hobble government's ability to deliver on community promises of education (a constitutionally mandated deliverable), healthcare, and transportation/infrastructure.

Furthermore, it's the admixture of other tax-related provisions in this bill that also concerns me. In addition to the flat tax, HB2457 would lower corporate tax rates, increase the standard deduction for income taxes, create a pathway to exempt all social security income from taxation, and accelerate the reduction of the food sales tax, fully eliminating the sales tax on groceries by this July. Each of these has meritorious arguments for consideration by the Committee, but I have no sense that a proper calibration of these various kinds of taxation options has been holistically considered. And such regressive measures to cut corporate tax responsibility and wealthy taxpayers' rates would contradict KSLeg's current effort to address the burden of regressive food sales taxes.

It seems to me that the significant long-term harm caused to the state by a flat tax far outweighs the near term "fix" that our wealthiest might receive. We have seen from past efforts like this just how lawmakers faced with future budget shortfalls may have to implement regressive (sales and property) tax increases to make up for the loss of income taxes. Vote NO on HB2457.

Leslie D. Mark

Mission Hills, HD 25 / Sen 7