



March 20, 2023

To: Representative Adam Smith, Chair
House Committee on Taxation

From: Brenda R. Sharpe, President and CEO
The REACH Healthcare Foundation

Subject: House Bill 2457: Changes to Individual Income Tax Brackets

Dear Chairman Smith and Members of the Committee:

Thank you for the opportunity to provide written testimony on HB 2457, a bill that would create a 4.95% tax rate for all individuals as well as lower the corporate tax rate, increase the standard deduction for income taxes, and make other changes in tax policy.

The REACH Foundation has submitted prior testimony to the House Committee on Taxation this legislative session expressing our opposition to tax proposals that aim to replace the state's current tiered income tax structure. As I have stated previously, implementing a flat tax benefits higher income workers and places the burden on lower-wage earners – the people who often work in frontline jobs and industries that keep our daily commerce and the state's economy afloat. Under this new proposal, the top 1 percent will receive a tax cut more than 30 times the tax cut that middle-income Kansas households would receive.

Any measure that would place revenue for essential state programs at risk and ignore the damage to lower-wage earners should be avoided.

Current state revenue projects are promising now, and should be the basis for proposals that prioritize the economic well-being and basic supports for low- and middle-income households. Keep in mind that the individual income tax rate today is still lower than before Gov. Sam Brownback's tax experiment. The financial damage from that experiment was well-documented.

It bears repeating: We urge the House Committee on Taxation to examine research on flat taxes and revisit the impact of reduced revenue on previous Kansas budgets in place of adopting this particular proposal.

Sincerely,

Brenda R. Sharpe, President and CEO
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