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To: House Taxation CommitteeFrom: Mark Tomb, VP of Governmental AffairsDate: 2/7/2024

Re: Written Testimony in Support of HB 2585

On behalf of the Kansas Association of REALTORS[®] (KAR), thank you for the opportunity to provide written testimony in support of HB 2585, legislation that excludes sales taxes from services for the reconstruction, restoration, remodeling, renovation, repair or replacement of a building or facility.

The Kansas Association of REALTORS[®] represents over 11,000 members involved in residential, agricultural and commercial real estate and has advocated on behalf of the state's property owners for more than 100 years. REALTORS[®] serve an important role in the state's economy and are dedicated to working with our elected officials to create better communities by supporting economic development, a high quality of life and providing affordable housing opportunities while protecting the rights of private property owners.

REALTORS[®] recognize that the rising costs of enhancing our commercial building supply includes the services used to fortify those commercial buildings. Keeping the sales tax on these services will reduce the ability of developers and their communities to address the needs of their local commercial markets. This sales tax exemption will also bring parity with residential installations that already have this exemption. Excluding these services from sales tax will give developers an edge in their efforts to revamp commercial buildings across Kansas.

In conclusion, KAR urges the committee vote favorably on HB 2585. Thank you for your time and consideration of our testimony.