



TO: Representative Adam Smith, Chairman
Members of the House Committee on Taxation

FROM: Colin McKenney, CEO, Starkey, Inc.

DATE: February 19, 2024

SUBJECT: Support for HB2685 – Sales Tax Exemption for 501(c)3 Organizations

Good morning, Chairman Smith and Members of the Committee. I wish to briefly share my thoughts in support of HB2685.

While I am sure that most testimony you will receive in support of a full exemption from sales tax for 501(c)3 nonprofit organizations will reference the importance of the resulting cost savings for each organization, Starkey and other providers of disability services have some additional reasons for supporting this change. If you are not already familiar with Starkey, we provide a wide range of support services to nearly 500 adults with disabilities who reside in Sedgwick County. Because those individuals may require daily assistance with nearly every aspect of their lives, Starkey provides support in their homes, with transportation, at their jobs, in activity programs, with their medical or dental health, and in countless other ways as well.

Starkey is already exempt from sales tax related to purchases for many of our functions, although any expenditures related to our homes and apartments ARE subject to sales tax. As the sales tax on food sunsets, the annual expense of sales tax will decrease substantially for Starkey. Unfortunately we will still need to make sure we are tracking and paying required sales tax for supplies used in our homes, for new appliances and service calls to support them, for personal care items, for both renovations and new construction, and numerous other items we purchase for our homes that are not food. We, too, would like to save those dollars to meet other important needs, but we would also like to remove the need to account for sales tax on only certain things we spend money on every year.

Thank you for your consideration of this important issue.