

To: Senate Committee on Assessment and Taxation
From: Spencer Duncan, Government Affairs Director
Date: February 8, 2023
RE: SB 421 – Exploration Place Tax Exemption
Neutral – Written Testimony

Thank you to the Chair and Committee for the opportunity to provide this testimony,

The League of Kansas Municipalities is neutral on the overall determination of whether Exploration Place, Inc. meets the standards for a sales tax exemption. However, we ask this committee to only consider an exemption of the state collection of sales tax, while leaving the local sales tax levy in place. We also ask this committee to consider giving local governments the ability to make exemption decisions regarding local sales at the municipal level.

Local sales taxes are voter approved and any decision to create exemptions or remove them should be made between the citizens of that community and its local elected officials. The state has the right to make determinations on what it will do with its portion of sales tax, but any exemption considered by the Legislature should leave whole local sales tax collections.

Too many tax exemptions create a system that puts the tax burden on too few citizens instead of a more equitable distribution which can lead to overall tax reductions for everyone. Each community needs to have the ability to decide what works best for their unique circumstances.

Cities across Kansas work to support organizations in their communities and will continue to support programs that benefit our youth, while promoting science, art and other important education and development centers. While the overall objective of SB 421 has value and deserves consideration at the state level, the impact to municipalities, without allowing them input into the exemption process, has an overall negative effect.

Thank you for your time and consideration of these issues. I am always available to provide additional information and answer any questions you have.



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