

Senate Committee on Assessment and Taxation Proponent Testimony on Senate Bill 539 Presented by Eric Stafford, VP of Government Affairs, Kansas Chamber

Tuesday, March 12, 2024

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large-sized businesses across the state, advocating for policies which improve the economic climate in Kansas. We appreciate the opportunity to provide testimony in support of Senate Bill 539, a bill largely focused on providing income tax relief for Kansas taxpayers.

Both Republicans and Democrats in Kansas have called for tax relief. According to an article last June by the Tax Foundation, 22 states have lowered their top marginal income tax rate since 2021, including. Several more are considering reductions this year. We applaud efforts by the Kansas Legislature to continue their push to make Kansas more competitive and attractive for economic investment, but we cannot ignore the steps surrounding states have taken. All surrounding states have lower top rates than Kansas does thanks to recent tax relief.

Missouri: 4.5% Nebraska: 3.99%

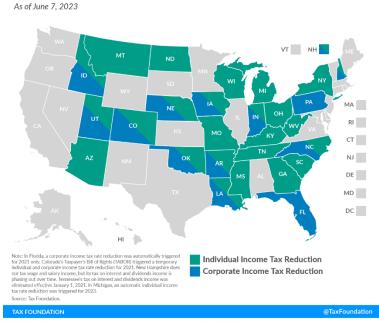
Iowa: 3.9%

Colorado: 4.4% (voter approved ballot initiative)

Oklahoma: 4.65%

Arkansas: 4.7 (soon to be 4.4%)

Income Tax Rate Reductions Enacted or Implemented, 2021-2023



While we support tax cuts for Kansans, our one hesitation with this plan is such a significant personal exemption of \$22,000 (married filing jointly) will make it difficult to lower the single income tax rate to an economically competitive position like our surrounding states. This would also give Kansas the second largest personal exemption in the country (Connecticut is \$24,000). Tack on our 8th highest sales tax rate and some of the highest property taxes in the country, the 3-legged stool is pretty tall.

In conclusion, we do applaud continued discussion on lowering taxes for Kansans, but we must not lose sight of the end goal- making Kansas more attractive for investment to improve economic growth. Thank you for the opportunity to testify in support of Senate Bill 539, and I'm happy to answer questions at the appropriate time.