



Written Testimony before the House Commerce, Labor & Economic Development Committee

**HB 2255 – Sales Tax Refunds for Telecommunications Machinery & Equipment
Submitted by J. Kent Eckles, Vice President of Government Affairs**

Monday, February 18th, 2013

The Kansas Chamber of Commerce appreciates the opportunity to submit written testimony in favor of House Bill 2255, which would allow for sales tax refunds to be paid on the purchase of certain telecommunications machinery and equipment.

The Kansas Chamber is supportive of equitable tax treatment for all Kansas companies. Since 1986, business machinery and equipment has been exempt from Kansas' sales taxes and we believe telecom equipment should be afforded similar treatment.

With the telecommunications industry sector being such a large part of the State's economy, we feel the equitable tax treatment provided under House Bill 2255 is necessary to allow Kansas to attract high paying jobs and investment in the new media, electronic commerce & high-technology industries.

A National Governor's Association (NGA) report entitled "Telecommunications Tax Policies: Implications for the Digital Age," states that in order to achieve tax reform in telecommunications, states should extend sales tax exemptions or refunds to telecommunications equipment.

Source: <http://bit.ly/VU3yVz>

Additionally, according to a Council on State Taxation (COST) study of how states tax the telecommunications industry, surcharges imposed on telecommunications in Kansas amount to a rate of 15.910% compared to just 6.35% for products sold by most other businesses.

Source: <http://bit.ly/Ytx6o8>

We urge the Committee to pass favorably House Bill 2255 to better improve the State's business tax climate and help spur investment and job creation in the State.

The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to do business. The Chamber represents small, medium and large employers all across Kansas.

