



Chairman Johnson and Members of the Committee, I am Michael Slusser, retired Colonel, U.S. Army. Thank you for the opportunity to speak with you today about HB 2261. Today, I represent four Veterans Service Organizations (VSOs) in Kansas who urge your support and passage of HB 2261. We realize issues regarding state revenues are critical in this legislative session, but so are the needs of Kansas veterans and families, from all service eras. You all represent veterans, service members and families in your districts, and we know you have concern for the needs of veterans and families in your communities.

HB2216 provides a sales tax exemption for certain VSOs, amending **K.S.A. 79-3606, Exempt Sales**, which does not allow 501(c)(19) veteran organizations to receive the same tax status as many other 501(c) non-profit organizations. Many organizations are allowed tax exemption certificates directed by Statute, some examples include the *Ottawa Suzuki Strings* and the *Frontenac Education Foundation* (see below for a full list of exempted organizations).

It is irrational that veterans organizations do not merit the same status as some of these other organizations that offer limited benefits to a finite number of people. Veterans Organizations that are 501(c)(19) non-profits but do not qualify for tax exempt status are continually challenged to raise funds to sustain their operations and programs for veterans in need. The Kansas Sales Tax paid on the relatively small amounts of revenue VSOs earn would be enormously beneficial at the local level in assisting and providing support to veterans and families within Kansas communities where they reside. Veterans who do not receive the small amount of assistance from a VFW or American Legion post, may well end up needing assistance from the State in the way of Medicaid, housing, food assistance, and more.

One example is the Topeka Veterans of Foreign Wars (VFW), which in 2016 paid \$3,749 to the Kansas Department of Revenue for Kansas State Sales Tax. For 88 years, this VFW has served community veterans. As our WWII Veterans perish, and the veteran population in general declines, VSOs are being stretched to maintain services to veterans. The Topeka VFW Post can only afford to dedicate \$1,500 annually to their relief fund budget. Routinely this amount is expended by year's end and the Post is challenged to raise additional funds. The relief of paying sales tax would bolster our ability to assist Veterans and their families at the local level. A veteran comes to our door almost daily, to request relief for housing, food, and other needs. We make every attempt to honor valid requests, and ensure funds are expended appropriately, i.e., paying directly to utility providers and landlords, safety-related home repair projects, and other critical needs.

We estimate that STATEWIDE, Kansas Revenues would be impacted by less than \$150,000, but the gain by VSOs in ability to assist more veterans would be tremendous.

Our Veterans Service Organizations ability to continue to help our Kansas Veterans at the front line in our communities is threatened. We ask your support and of this rational and feasible policy on behalf our all our Kansas VSOs. **Please pass HB2216 out of committee and to the floor for a vote Our Veterans need your support!**

Please feel free to contact me for further information at Michael Slusser, Colonel, Retired, USA at slusser@centurylink.net or 785.338.2638

Attachment 1:

Many other organizations are already exempted in accordance with K.S.A. 79-3606. The following entities and organizations are now authorized to receive a Tax-Exempt Entity Exemption Certificate from KDOR.

Source:

http://www.kslegislature.org/li_2012/b2011_12/statute/079_000_0000_chapter/079_036_0000_article/079_036_0006_section/079_036_0006_k/

State of Kansas and its agencies. Kansas political subdivisions – cities, counties, townships, school districts; Nonprofit hospitals; Nonprofit blood, tissue and organ banks; Nonprofit educational institutions (colleges, universities, trade schools, etc. providing education above grade 12); Elementary and secondary schools; Kansas groundwater management districts; Rural water districts and water supply districts; Port authority; Nonprofit nursing home, assisted living facility, interim care home; Nonprofit, nonsectarian, comprehensive youth development organizations; Community-based mental retardation facilities or mental health centers; Nonprofit public health corporations; Community action groups/agencies for weatherization of low-income homes; Nonprofit museums; Nonprofit historical societies; Nonprofit zoos; Public broadcasting stations (radio and TV); Nonprofit organizations building Kansas Korean War Memorials; Parent-Teacher Associations and Organizations; Contractors preparing meals for the homebound elderly, disabled, indigent or homeless (i.e., Meals on Wheels); Rural volunteer fire fighting organizations.

Kansas chapters of these Organizations. American Heart Association; Kansas Mental Illness Awareness Council; American Diabetes Association, Kansas Affiliate; American Lung Association; Kansas Alliance for the Mentally Ill; Alzheimer's Disease and Related Disorders Association, Inc.; Parkinson's Disease association; National Kidney Foundation (of KS and Western MO); Heartstrings Community Foundation (effective 1/1/2005); The Cystic Fibrosis Foundation, Heart of America Chapter (effective 1/1/2005); Spina Bifida Association (effective 1/1/2005); CHWC, Inc. (effective 7/1/2006); Cross-lines Cooperative Council (effective 7/1/2006); Dreams Work, Inc. (effective 7/1/2006); KSDS, Inc. (effective 7/1/2006); Lyme Association of Greater Kansas City, Inc. (effective 7/1/2006); Dream Factory, Inc. (effective 7/1/2007);

Ottawa Suzuki Strings, Inc. (effective 7/1/2007) ; International Association of Lions Clubs (effective 7/1/2007); Johnson County Young Matrons, Inc. (effective 7/1/2007) ; American Cancer Society, Inc. (effective 7/1/2007) ; Community Services of Shawnee, Inc. (effective 7/1/2007) ; Angel Babies Association (effective 7/1/2007) ; Habitat for Humanity for housing project materials ; Free-Access Radio and TV Stations ; Religious Organizations ; Primary care clinics and health centers serving the medically underserved ; Kansas Academy of Science ; Domestic violence shelters that are members of the Kansas ; Coalition against Sexual and Domestic Violence (KCSDV), (effective 1/1/2005) ; Kansas Bioscience Authority (effective 7/1/2004) ; Special Olympics Kansas, Inc. (effective 7/1/2006) ; Marillac Center, Inc. - purchases of tangible personal property only (effective 7/1/2006) ; West Sedgwick County - Sunrise Rotary Club and Sunrise

Charitable Fund (effective 7/1/2006) ; County Law Libraries (effective 7/1/2006) ; 501(c)(3) Homeless Shelters (effective 7/1/2006) ; Jazz In The Woods, Inc. (effective 7/1/2007) ; Frontenac Education Foundation (effective 7/1/2007) ; Rotary Club of Shawnee Foundation (effective 7/1/2007) ; Victory In The Valley, Inc. (effective 7/1/2007) ; Booth Theatre Foundation, Inc. (effective 7/1/2007) ; TLC Charities Foundation, Inc. (effective 7/1/2007) ; Wayside Waifs (effective July 1, 2008) ; Goodwill Industries Easter Seals of Kansas (effective May 28, 2009) ; Goodwill Industries of Kansas, Inc. (effective May 28, 2009) ; All American Beef Battalion, Inc. (effective May 28, 2009) ; Kansas Fairgrounds Foundation (effective May 28, 2009) ; Sheltered Living, Inc. (effective May 28, 2009).

VOTE YES on HB2216 Sales Tax exemption for Veterans Service Organizations