HB 2567 Proponent Testimony – Written Only House Committee on Taxation Sliding Scale for SSI Subtraction Modification Above \$75,000 Michael Austin – Director, Center for Entrepreneurial Government February 11, 2020



Chairman Johnson and Members of the Committee,

On behalf of the Kansas Policy Institute, we appreciate this opportunity to submit testimony in support of HB 2567. HB 2567 increases the subtraction modification of social security income (SSI) to those with federal adjusted gross income below \$85,000. We hold the following positions on HB 2567.

- 1. HB 2567 allows more married filers to subtract their SSI from state taxation
- 2. HB 2567 provides tax relief to Kansas seniors and retirees

## HB 2567 allows more married filers to subtract their SSI from state taxation

By increasing the SSI subtraction modification to those making less than \$100,000, more retirees can see state tax relief. Also, considering the exemption makes no distinction by filing status, HB 2567 can aid taxpayers in filing married joint returns.

## HB 2567 provides tax relief to Kansas seniors and retirees

Kansas is one of 13 states that taxes social security income.¹ Kansas's current subtraction modification puts the state at a disadvantage when it comes to tax competitiveness. Also, Kiplinger named Kansas as the 3<sup>rd</sup> least tax-friendly state for retirees in 2019. ² HB 2567 helps Kansans and retirees keep more of their income and is a step in the right direction for making Kansas a more comfortable place to live.

For these reasons, we urge the committee to pass HB 2567 in its current form.

<sup>&</sup>lt;sup>1</sup> Kiplinger Business Magazine, *13 States That Tax Social Security Benefits*, <a href="https://www.kiplinger.com/slideshow/retirement/T051-S001-states-that-tax-social-security-benefits/index.html">https://www.kiplinger.com/slideshow/retirement/T051-S001-states-that-tax-social-security-benefits/index.html</a>

<sup>&</sup>lt;sup>2</sup> Kiplinger Business Magazine, *10 Least Tax-Friendly States for Retirees 2019*, <a href="https://www.kiplinger.com/slideshow/retirement/T037-S001-10-least-tax-friendly-states-for-retirees-2019/index.html">https://www.kiplinger.com/slideshow/retirement/T037-S001-10-least-tax-friendly-states-for-retirees-2019/index.html</a>