



**Written Testimony in Favor of SB 109**  
Presented to the Senate Assessment & Taxation Committee  
by Tim McKee, CEO  
Olathe Chamber of Commerce  
February 4, 2025

Chair Tyson and Honorable Committee Members,

The Olathe Chamber of Commerce is the largest chamber in Johnson County and the second largest chamber in the Kansas City area. Comprised of 1,300 members and growing, it was the first chamber in the state to receive 5-Star Accreditation from the U.S. Chamber of Commerce – a designation obtained by less than 1 percent of the nation's chambers. Its mission is to be the voice of business that advances the economic well-being and quality of life in Olathe.

SB 109 proposes to provide for a remittance credit up to \$300 monthly to retailers for the collection of sales and compensating use tax. Currently, twenty-six states including Missouri, Nebraska, and Colorado allow retailers to retain a portion of sales tax collected, commonly known as an administrative allowance to offset the costs associated with collecting sales tax for the state.

Currently, Kansas allows out of state retailers in Missouri, Oklahoma and Nebraska who collect tax for Kansas to keep an administrative allowance. The rates for each state is outlined below:

- 2% for Missouri vendors;
- 2.5% for Nebraska vendors up to the first \$3,000 in tax remitted per month, with a maximum discount of \$75;
- 1% for Oklahoma vendors, with a maximum discount of \$2,500

As such, SB 109 will move towards level the playing field for Kansas retailers. By affording Kansas retailers to keep an administrative allowance, they will be able to recoup a portion of the costs of the software required to administer the collection of the tax, the time spent serving as the state's tax collector and the costs of sales tax auditing and liability from the state, all of which are expensive and time consuming.

We respectfully request you support SB 109 to allow Kansas retailers an administrative allowance for their collection efforts. Thank you for the opportunity to submit written comments on this bill.

Respectfully submitted,

Tim McKee, CEO, Olathe Chamber of Commerce