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BEFORE THE SENATE ASSESSMENT & TAXATION COMMITTEE

Senator Caryn Tyson, Chair. Senator Virgil Peck, Vice-Chair. Senator Ethan Corson, Ranking Minority.

IN SUPPORT OF: SENATE BILL 108. County Voter Option Enacting EARNINGS Tax

27 February 2025

Madame Chair and Members of the Senate Assessment & Taxation Committee:

First, please accept our appreciation for hearing this measure. Although no longer a member of Senate Tax for 20 years now, I continue to genuinely appreciate the intricacies of your every consideration.

I speak in FAVOR today for your PASSAGE to the Committee of the Whole of Senate Bill 108.

Succinctly, Senate Bill 108 would grant each County authority to enact an earnings tax ("e-tax"); or a percentage of any income derived in said County to go to the County General fund.

The question as to whether or not to enact the earnings tax would go before the voters of the County and would be resubmitted periodically for its retention or not.

All e-tax revenue must be applied to real property tax reduction.

Members, we contend that a majority of any taxpaying electorate within a County should be allowed to vote for or against requiring all income earners, regardless of residency, to make some financial contribution to the solvency and well-being of the place (the County) where the employee earns their income. A county-by-county decision, despite being a LOCAL matter, our State requires statutory authority to hold these elections and potentially enact this provision.

Several States (Appendix I), most notably Missouri, have granted such authority for decades and, where E-taxes have been approved (in Missouri, Jackson and St. Louis, the two largest populated Counties), overwhelmingly retained by voters in elections held every five (5) years. Opposition to this enactment erroneously argue that e-taxes make a county and/or our State less economically competitive. But there's no such discernible ebb in job or economic growth in St. Louis or Kansas City, MO attributed to the long-recognized and collected e-tax. And every five years, **more than seventy-five percent (75%) of their respective voters reaffirm the e-tax.**

By way of direct example of impact, I represent Wyandotte County (Kansas City) whose residents comprise less than thirty (30%) percent of the County's current workforce. Approximately seventy (70%) percent of my County's "daily income-deriving" workforce are mere visitors whom, though we host the livelihood, generate little revenue back to the County.

Many of us here are genuinely dedicated to reducing spiraling real property taxes. (Indeed, many of you on this Committee joined me in supporting and passing SCR 1603 this session which, if passed by the voters, amends our Constitution limiting valuation increases to 3%.)

It is approximated that, if SB 108 is approved by each of you here in this Committee and the Legislature concurs, should the voters of Wyandotte County adopt an Earnings tax, the revenue generated would approach fifty (50,000,000.) million a year; and, accordingly, reduce our spiraling real property tax rate by two-thirds (2/3).

Madame Chair, I earnestly urge you to work SB 108 and respectfully request consideration and favor by each member of this Committee. Thank you again for this time and I am pleased to stand for questions at the appropriate time.

Respectfully Submitted,

David Haley

- David Haley, J.D. (Wyandotte. 4th)
- Senator / Kansas