

Senate Committee on Assessment and Taxation
Testimony on SB 108
Pam Curtis, Kansas House of Representatives District 32
February 27, 2025

Mr. Chairman and Members of the Committee,

Thank you for the opportunity to provide testimony in support of Senate Bill 108 which would authorize counties to impose a local option earnings tax.

Wyandotte County is unique in that it has the **highest paying jobs** in the State of Kansas as well as one of the **lowest per capita incomes** in the State. Approximately **70%** of the jobs in Wyandotte County are held by non-residents.

Wyandotte County has created good paying jobs for the region. A local earnings tax would allow those that work in Wyandotte County but do not live here to help pay for services and infrastructure needed to provide those good paying jobs for the region. Much like many that work in KCMO pay an earnings tax to help support those city services and infrastructure.

The local option income/earnings tax can be “piggy backed” on the current Kansas state income tax, and therefore would not require a new tax code.

The Unified Government of Wyandotte County/Kansas City, Kansas is on record showing strong support for legislation that would authorize cities and counties to establish a local option income tax. The Unified Government has stated that “an earnings tax would provide a significant alternative revenue source for cities and counties who find themselves strapped for operating funds in hard economic times, especially in light of the loss of the demand transfers in 2003 and other local revenue funding sources.”

A local option earnings tax would be consistent with the Home Rule Amendment of the Kansas Constitution (Article 12, section 5) which begins: *“Cities are hereby empowered to determine their local affairs and government...including the levying of taxes, excises, fees, charges and other extractions.”* In the spirit and intent of the Kansas Constitution, we believe the citizens of Wyandotte County and all citizens of Kansas should have the right to vote on a local option income tax.

Wyandotte County, host for most popular entertainment venues in Kansas, also has some of the most economically distressed urban areas. There must be a balance to not further burden our citizens. A local option earnings tax could help provide that balance.

Wyandotte County’s needs and challenges are many from aging infrastructure, high taxes, providing basic city services and unfortunately being the county in Kansas that lost the most population – **3,365 people from 2020 to 2023**.

Estimates for 1% earnings tax for WyCo/KCK would provide about \$52 million which would significantly improve the county’s ability to provide the needed services and infrastructure improvements.

There are 4,964 jurisdictions in 17 states that impose a local earnings tax including KCMO at 1% which generates about \$292 million annually.

The KS Legislature has limited funding options available to local government at a significant loss of revenue to cities and counties. If not an earnings tax than what other local revenue sources can provide funding to address the needs locally and lessen the burden on property tax?

A local earnings tax is a viable option and one that brings a sense of balance and fairness to Wyandotte County which is why I support Senate Bill 108.