



Testimony in Opposition to Senate Bill 108
Mr. Daniel Murray
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Senate Committee on Assessment & Taxation
February 27, 2025

Chair and members of the committee, I am pleased to submit testimony in strong opposition to Senate Bill 108. NFIB Kansas is the leading small business organization in Kansas representing small and independent businesses. A non-profit, nonpartisan organization founded in 1943, NFIB Kansas represents the consensus views of its over 3,600 members throughout the state.

Senate Bill 108 authorizes Kansas counties to implement an earnings tax of up to 1% per year on both residents and non-residents who work in the county. At a time when Kansas is striving to make our economic environment more attractive and competitive, this bill would do the exact opposite.

As of 2022, there are more than 258,000 thousand small businesses – representing 99.1 percent of all firms in Kansas– and they employ over 600,000 workers, over half of the state’s workforce. Indeed, small businesses are the backbone of the Kansas economy. And taxes matter to our vital small business sector. In our most recent *Small Business Problems and Priorities*, NFIB confirmed that taxes continue to be a significant problem for small business owners. The study found that tax rates *AND* tax complexity are four of the top ten problems confronting small businesses.

As Main Street continues to grapple with inflation, it’s incumbent on lawmakers to make our state’s tax code competitive with neighboring states and prioritize economic growth. This bill would make Kansas less competitive. Thank you for your consideration of our comments, and we respectfully ask you to vote favorably for the passage of this legislation.