

**To:** Senate Committee on Assessment and Taxation  
**From:** Spencer Duncan, Government Affairs Director  
**Date:** February 27, 2025  
**RE:** SB 108 – Counties Earning Tax  
*Neutral – Written Testimony*

Thank you to the Chair and Committee for an opportunity to provide this testimony,

Cities of Kansas believe tax policy should strive to foster a broad tax base that reduces burdens on citizens by ensuring many contribute a little. The state continues to provide a myriad of exemptions at the state level that impact cities, reducing the tax base cities can draw from at a time when expenses continue to rise. The League of Kansas Municipalities appreciates consideration of opportunities to expand the tax base in ways that can lead to overall tax reductions for all citizens. The League is neutral as SB 108 applies to counties, although cities would receive some revenue.

As the cities and state look at ways to reduce property taxes, a local earnings tax provides that opportunity. This revenue would lead to a lowering of property taxes as an earnings tax, for many of counties, would generate enough to create mill levy decreases.

Many cities and counties in Kansas have a substantial number of commuters who work there but live elsewhere. An earnings tax ensures they contribute to services they use, such as roads, public safety, and infrastructure. It also contributes revenue that can lower the tax burden of those who live within a city or county.

Earnings taxes are more progressive than sales tax and property taxes, which can be regressive in nature. This creates more economic equality, which assists low-income and older citizens.

Earnings taxes provide a more stable levy less vulnerable to economic instability which assists with long-term planning of projects, such as infrastructure and economic development.

We appreciate you considering this legislation, examining the issue, and hope there comes a time when a similar program can be studied for cities. Thank you for your time and consideration of these issues. I am always available to provide additional information and answer any questions you have.



**Spencer Duncan**  
*Government Affairs Director*  
*League of Kansas Municipalities*  
785-383-8825     [sduncan@lkm.org](mailto:sduncan@lkm.org)