

## MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairperson Adam Smith at 3:30 pm on Monday, March 13, 2023, in room 346-S of the Capitol.

All members were present except:

Representative Samantha Poetter Parshall – Excused

Substitute members:

Representative Les Mason, appointed substitute member to the committee

Committee staff present:

Adam Siebers, Office of Revisor of Statutes

Edward Penner, Legislative Research Department

Lea Gerard, Kansas Legislative Committee Assistant

Conferees appearing before the Committee:

Eric Stafford, Kansas Chamber

Michael Austin, Americans for Prosperity

Emily Fetsch, Kansas Action for Children

Timothy Graham, Kansas NEA

Donna Ginther, Professor, University of Kansas

Jon McCormick, Retail Grocers Association

Representative Brett Fairchild, House District 113

Carolyn Dunn, Stafford County Economic Development

Lance Onstaff, City of Andover

Spencer Duncan, League of Kansas Municipalities

Stephen Wade, City Manager, City of Topeka

Mark Manning, Director of Finance, City of Wichita

Jay Hall, Kansas Association of Counties

Allen Dinkel, City Manager, City of Junction City

Sara Caylor, City Commissioner, City of Ottawa

Tim Dannenberg, City of Olathe

Mike Taylor, Kansas County Commissioners Association

Scott Schneider, Kansas Restaurant & Hospitality Association

Kathleen Smith, Kansas Department of Revenue

Others in attendance:

No list available

### **Request for bill introductions**

Chairperson Smith opened the floor for requests for bill introductions.

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Representative Helgerson requested a bill be introduced concerning technical changes for the SALT Parity Act (23-rs-1612). Without objection, the bill was approved by the Committee.

**Hearing on: SB169 — Providing an income tax rate of 4.75% for individuals.**

Chairperson Smith opened the hearing for **SB169**.

Adam Siebers, Revisor, provided an overview for **SB169** that would impose a single income tax rate starting in tax year 2024 for individuals of 4.75%. Mr. Siebers stood for questions from the Committee. ([Attachment 1](#))

Kathleen Smith, Kansas Department of Revenue provided an overview of the fiscal note for **SB169** stating it would decrease the State General Fund revenues by \$170.4 million in FY 2024, \$568.5 million in FY 2025, and \$574.2 million in FY 2026. The estimate for FY 2024 includes 30.0 percent of tax year 2024 tax liability when it goes into effect. Ms. Smith stood for questions from Committee members.

**Proponents:**

Michael Austin, Americans for Prosperity, testified as a proponent for **SB169**. ([Attachment 2](#))

Eric Stafford, Kansas Chamber, testified as a proponent for **SB169**. ([Attachment 3](#))

The conferees stood for questions from Committee members.

Written testimony was submitted by the following as proponents for **SB169**:

Dan Murray, National Federation of Independent Business (NFIB), ([Attachment 4](#))

Dave Trabert, Kansas Policy Institute, ([Attachment 5](#))

**Opponents:**

Emily Fetsch, Kansas Action for Children, testified as an opponent for **SB169**. ([Attachment 6](#))

Timothy Graham, Kansas NEA, testified as an opponent for **SB169**. ([Attachment 7](#))

The conferees stood for questions from Committee members.

Written testimony was submitted by the following as opponents to **SB169**.

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Marcus Winn, MORE2 Metro Organization for Racial and Economic Equity, ([Attachment 8](#))

Brenda Sharpe, REACH Healthcare Foundation, ([Attachment 9](#))

Rabbi Moti Rieber, Kansas Interfaith Action, ([Attachment 10](#))

Jami Reeve, Kansas Appleseed, ([Attachment 11](#))

John Lee, Tax Simple Service, ([Attachment 12](#))

**Neutral:**

Donna Ginther, Professor, University of Kansas, testified as neutral to **SB169**. ([Attachment 13](#)) Ms. Ginther stood for questions from Committee members.

Written testimony was submitted by Sean Gatewood, KanCare Advocates Network, ([Attachment 14](#))

Chairperson Smith closed the hearing for **SB169**.

**Hearing on: SB248 — Providing a sales tax exemption for healthy food and repealing the state rate reduction for sales of certain food and food ingredients.**

Chairperson Smith opened the hearing for **SB248**.

Mr. Siebers provided an overview for **SB248** that exempts sales of food and food ingredients that are currently taxed at the 4% rate from all sales and compensating use tax in Kansas commencing January 1, 2024. ([Attachment 15](#)) Mr. Siebers stood for questions from Committee members.

Kathleen Smith provided an overview of the fiscal note for **SB248** as submitted by the Senate Committee of the Whole would decrease state revenue by \$118.5 million in FY 2024. Of that total, the State General Fund is estimated to decrease by \$115.5 million and the State Highway Fund is estimated to decrease by \$3.0 million. The estimate is also estimated to decrease local tax revenues; however, the specific amount was not calculated by the Department of Revenue. Ms. Smith stood for questions from Committee members.

**Proponents:**

Jon McCormick, Retail Grocers Association, testified as a proponent for **SB248**. ([Attachment 16](#)) Mr. McCormick stood for questions from Committee members.

Written testimony was submitted by the following as proponents for **SB248**.

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Richard Risewick, Jamboree Foods, ([Attachment 17](#))

Kansas Food and Farm Coalition, ([Attachment 18](#))

**Opponents:**

The following testified as opponents for **SB248**:

Representative Brett Fairchild, House District 113. ([Attachment 19](#))

Carolyn Dunn, Stafford County Economic Development. ([Attachment 20](#))

Lance Onstatt on behalf of Jennifer McCausland, City of Andover, ([Attachment 21](#))

Spencer Duncan, League of Kansas Municipalities, ([Attachment 22](#))

Stephen Wade, City Manager, City of Topeka, ([Attachment 23](#))

Mark Manning, Director of Finance, City of Wichita, ([Attachment 24](#))

Jay Hall, Kansas Association of Counties, ([Attachment 25](#))

Allen Dinkel, City Manager, City of Junction City, ([Attachment 26](#))

Sara Caylor, City Commissioner, City of Ottawa, ([Attachment 27](#))

Tim Dannenberg, City of Olathe, ([Attachment 28](#))

Mike Taylor, Kansas County Commissioners Association (KCCA), ([Attachment 29](#))

The conferees stood for questions from Committee members.

Written testimony was submitted by the following as opponents for **SB248**:

Brent Randolph, City Council, Garden Plains, KS. ([Attachment 30](#))

Rhonda Hill, City Clerk, City of Gas, KS. ([Attachment 31](#))

Jon Quinday, City Manager, Russell, Kansas, ([Attachment 32](#))

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Kendal Francis, City Manager, City of Hutchinson, Kansas ([Attachment 33](#))

Daron Hall, City Manager, City of Pittsburg, KS. ([Attachment 34](#))

Ron A. Alexander, City Manager, City of Colby, KS. ([Attachment 35](#))

Haley Stevens, Frankfort Community Care Home, ([Attachment 36](#))

Deborah Lamb, City Manager, City of Parsons, ([Attachment 37](#))

Jason Rabe, City Manager, City of Beloit, KS., ([Attachment 38](#))

Jake Letner, City Administrator, City of Columbus, KS., ([Attachment 39](#))

Matt Engels, City Administrator, City of Benton, KS., ([Attachment 40](#))

John Ford, Riley County Commissioner, ([Attachment 41](#))

Kristi Northcutt, City Administrator, City of Lindsborg, KS. ([Attachment 42](#))

Shane Krull, County Commissioner, Miami County, Kansas, ([Attachment 43](#))

Matt Stiles, City Administrator, City of Hillsboro, KS. , ([Attachment 44](#))

Craig Crossette, City Manager, City of Sterling, KS., ([Attachment 45](#))

Matt Rehder, City Manager of Iola, KS., ([Attachment 46](#))

Taggart Wall, City Manager of Winfield, KS., ([Attachment 47](#))

Jolene Niernberger, City of Ellis, KS., ([Attachment 48](#))

Stan Luke, Mayor, City of Burlington, KS., ([Attachment 49](#))

Russ Kessler, Mayor, City of Haysville, KS., ([Attachment 50](#))

David Dillner, City Manager, El Dorado, Kansas, ([Attachment 51](#))

Jeannie Johnson, City Clerk, Olsburg, KS., ([Attachment 52](#))

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Tara L. Pierce, City of Argonia, KS., ([Attachment 53](#))

David R. McDaniel, Mayor, Ellis, KS., ([Attachment 54](#))

Chris Wells, Osage County Sheriff, ([Attachment 55](#))

Greg Graffman, City Manager, Kingman, KS., ([Attachment 56](#))

Julie Brewer, United Community Services of Johnson County, ([Attachment 57](#))

Mike Schrage, City Manager, Salina, KS., ([Attachment 58](#))

Collin Bielser, Deputy City Manager, Hays, KS., ([Attachment 59](#))

Audree Guzman, City Administrator, Valley Falls, KS., ([Attachment 60](#))

Katie J. Schroeder, City Attorney, Beloit, KS., ([Attachment 61](#))

Kara Smith, City Clerk, Montezuma, KS., ([Attachment 62](#))

Thomas A. Brown, Mayor, McPherson, KS., ([Attachment 63](#))

Jason Rabe, City Manager, Beloit, KS., ([Attachment 64](#))

Amelia Blackwood, Deputy Chief Clerk, Clay Center, KS., ([Attachment 65](#))

Randy Leis, Kansas Legislative Policy Group, ([Attachment 66](#))

Nicolaus J. Hernandez, City Manager, Dodge City, KS., ([Attachment 67](#))

Joann Knight, Executive Director, Dodge City, Ford County, KS., ([Attachment 68](#))

Lucas Jay Herb-Mullin, City Administrator, Eureka, KS., ([Attachment 69](#))

Gaitlin Gard, Deputy Manager, City of Shawnee, KS., ([Attachment 70](#))

Mark Hatesohl, Mayor, City of Manhattan, KS., ([Attachment 71](#))

City of Overland Park, Kansas, ([Attachment 72](#))

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Stuart Little, Cities of Mission, Merriam, Prairie Village and Westwood Hills, KS., ([Attachment 73](#))

Nathan Nogelmeier, City Administrator, Fairway, KS., ([Attachment 74](#))

Elizabeth Patton, Americans for Prosperity, ([Attachment 75](#))

Randy Frazer, City Manager, Arkansas City, KS., ([Attachment 76](#))

Ethan Reimer, City Manager, Halstead, KS., ([Attachment 77](#))

Donna Davis, Chief Financial Officer, Andover, KS., ([Attachment 78](#))

Casey Toomay, Assistant City Manager, Lawrence, KS., ([Attachment 79](#))

Board of County Commissioners, Dodge City, KS., ([Attachment 80](#))

Bradley Ellis, City Manager, Larned, KS., ([Attachment 81](#))

Amy Lange, City Manager, Concordia, KS., ([Attachment 82](#))

Cole Herder, City Administrator, Humboldt, KS., ([Attachment 83](#))

Timothy Graham, Kansas National Education Association (KNEA), ([Attachment 84](#))

Mike Kelly, Johnson County Board of County Commissioners, ([Attachment 85](#))

Terry Sommers, Mayor, Mount Hope, KS., ([Attachment 86](#))

Leah Sommerhoff, City Administrator, Caldwell, KS., ([Attachment 87](#))

Rich Walker, Mayor, De Soto, KS., ([Attachment 88](#))

Matthew Allen, City Manager, Garden City, KS., ([Attachment 89](#))

Sean Pederson, City Manager, Bonner Springs, KS., ([Attachment 90](#))

Stacy Barnes, City Administrator, Greensburg, KS., ([Attachment 91](#))

Dr. JuliAnn Mazachek, President, Washburn University, ([Attachment 92](#))

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Ann Smith-Tate, Shawnee Chamber of Commerce, ([Attachment 93](#))

Tim McKee, Olathe Chamber of Commerce, ([Attachment 94](#))

Mike Boehm, Mayor, Lenexa, KS., ([Attachment 95](#))

Kelly McElroy, City Manager, Newton, KS., ([Attachment 96](#))

Andy Sanchez, Kansas AFL-CIO, ([Attachment 97](#))

Kiel Mangus, City Manager, Derby, KS., ([Attachment 98](#))

Wesley Young, City Administrator, Fredonia, KS., ([Attachment 99](#))

**Neutral:**

Scott Schneider, Kansas Restaurant & Hospitality Association, testified as neutral to **SB248**. ([Attachment 100](#))

Donna Ginther, Professor of Economics, University of Kansas, testified as neutral to **SB248**. ([Attachment 101](#))

The conferees stood for questions from Committee members.

Written testimony was submitted by the following as neutral for **SB248**:

Mallory Lutz, Kansas Food & Farm Coalition, ([Attachment 102](#))

Ganon Evans, Kansas Policy Institute, ([Attachment 103](#))

Jamie Reeve, Kansas Appleseed, ([Attachment 104](#))

Derek Hein, Kansas Beverage Association, ([Attachment 105](#))

Chairperson Smith closed the hearing for **SB248**.

There being no further business, the meeting was adjourned at 5:35 p.m.