

House Tax Committee
Chairman Smith

Re: Testimony in Opposition to SB 248

Dear Chairman Smith:

I am writing you today in opposition to SB 248. The bill as presented will have a significant impact on our budget for the City of Mount Hope, Kansas. Further, it takes away another valuable source of revenue, especially for the smaller communities of Kansas, and places even greater dependence upon the property tax as revenue sources diminish with this kind of action.

In the fiscal year 2020, per our audit, our city received \$126,093 in revenue via the sales tax. The total revenue received from some form of tax revenue, including property tax, was \$366,998. The amount of sales tax revenue was 34% of all revenue received through any type of tax resources.

The figures are similar for fiscal year 2021, where the sales tax revenue was \$140,921. The amount of other revenue from other forms of tax revenue, including property taxes, was \$358,527. The amount of sales tax revenue last year was 39% of the city's tax revenue budget.

The unaudited figures are similar for fiscal year 2022, where the sales tax revenue was \$164,267. The amount of other revenue from other forms of tax revenue, including property taxes, was \$354,467. The amount of sales tax revenue last year was 46% of the city's tax revenue budget.

If an estimated amount of revenue generated by food as proposed is 15%, our city would stand to lose an excess of \$25,000 based on current trends. We have already been advised the fuel tax for our Special Streets and Highway Funds are going to be reduced and now this additional loss of funds. I might add, based on our current valuation, to replace this loss would require an increase of 5mils.

For the small community, of which Mount Hope is only one of many, SB 248 is forcing more reliance upon property taxes. Options are so limited for revenue outside of property taxes and sales taxes. When certain resources become limited or reduced, the only source left is property taxes, and that is not popular at all.

Please do not pass SB 248.

Sincerely,
Terry Somers, Mayor
Mount Hope, Kansas

