

Testimony
Senate Bill No. 4
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Thank you, Madam Chairwoman and committee for hearing this bill.

This bill concerning sales taxation, relating to exemptions, would provide an exemption for purchases for the construction or repair of buildings used for human habitation by the Kansas state school for the blind and the Kansas state school for the deaf; amending K.S.A. 2022 Supp. 79-3606 and repealing the existing section.

- Construction projects on the campuses of the Kansas School for the Blind and the Kansas School for the Deaf are exempt from state sales taxes except for the sales tax paid for any construction or repair of buildings used for student housing that must go through the bid process.
- Students who attend the Kansas School for the Blind or the Kansas School for the Deaf do not pay any fees. This includes no rental or lease fees for their dormitory rooms. Currently, the Kansas School for the Deaf provides housing for 24 students, and the Kansas School for the Blind provides housing for 27 students. However, their summer school program and special weekend programs often exceed their limit of 72 accommodations.
- Basically, the state is charging a sales tax on itself when there are expenditures for student housing. Common sense says this needs to be corrected.
- The schools are located in the Kansas City area. So, local sales tax also is being collected on the equipment purchased and the construction work completed on student housing; however, the general economic activity associated with the schools more than offsets any revenue loss.
 - Many children who attend the schools have families who reside in the local area.
 - The School for the Deaf's 2022 operating budget of \$11.3 million includes \$9.6 million SGF.
 - The School for the Blind's 2022 operating budget of \$7 million includes \$5.8 million SGF.
- The bottom line is that this change would save funds for the State of Kansas.