

To: Senate Assessment and Taxation Committee
From: Spencer Duncan, Government Affairs Director
Date: January 19, 2023
RE: SB 21 – School Sales Tax Holiday
In support – Oral Testimony

The League of Kansas Municipalities generally opposes policies that erode the overall tax base. Kansas should have a broad sales tax on all goods and services. Too many sales tax exemptions, over time, create a system that puts the tax burden on too few citizens instead of a more equitable distribution.

Sales tax exemptions should be limited to those in which the benefits outweigh sales-tax dollars lost. In the case of SB 21, the League believes this legislation meets that exception. A sales-tax holiday on school supplies will benefit thousands of families across Kansas, while having a minimal impact on overall yearly sales-tax collection.

The support of The League of Municipalities does have some limitations. Those include:

- The current 2-day holiday proposal should not be expanded beyond that time frame.
- The \$100 per-item limit is fair and should remain the top-end threshold.
- The definition of school supplies, as outlined in the current bill, is substantial and covers necessities needed in a classroom. The definitions should stay limited to classroom items.

There are cities in Kansas with businesses that lose sales each year to border states that have school sales-tax holidays. This legislation could have the positive impact of keeping sales in our state in those cities.

Ensuring students have what they need in the classroom is essential for families, educators, and students. Any time responsible tax relief can be provided to citizens, those efforts deserve support. SB 21, as currently written, is a reasonable approach that can help Kansans.

Thank you for your time and consideration of these issues. I am always available to provide additional information and answer any questions you have.



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