



February 20, 2023

Madame Chair and Members of the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our nearly 1,500 members, thank you for the opportunity to provide testimony in opposition to S.B. 79, AN ACT concerning taxation; authorizing counties to impose an earnings tax; amending K.S.A. 2022 Supp. 19-101a and repealing the existing section.

SB 79 would allow a county commission the authority to submit to voters the question of imposing an earnings tax of up to 1.0 percent on individuals living or working within the county. The revenue would be used for general county purposes. A petition signed by at least 10.0 percent of voters in the county would be required to ask for an election to repeal the earnings tax or change the earnings tax rate. Voters would be required to vote on extending the earnings tax every five years. The bill includes definitions for “earnings tax” and “salaries, wages, commissions, and other compensation.”

The Chamber stands in strong opposition to this legislation as it would make Kansas much less competitive both regionally and nationally. Like every state in the nation, Kansas is in the midst of a fierce war for talent and labor. There are many factors that individuals weigh when choosing where to work and live and income tax rates are always part of that calculus.

For the purposes of today’s discussion, I will highlight one industry in particular, although the issues I raise are applicable to most industry sectors across the Sunflower State. The aviation manufacturing sector is at the top of Kansas’ export economy. Aircraft and aircraft parts are built in Kansas and are exported worldwide. The contribution to the state general fund based upon the economic activity generated by aviation manufacturing and maintenance is significant.

Aviation manufacturing jobs pay high wages and offer great benefits – often without requiring a college degree. However, as of today there are hundreds of more aviation jobs than there are workers. In addition, the current sector’s workforce is ageing rapidly with more than half of today’s workers eligible for retirement in the next five years.

Instituting a local earnings tax or income tax is nothing more than increasing the overall income tax rate paid not only by Kansans, but also those from out of state that come into Kansas every day to work for Kansas companies. Adoption of S.B. 79 will make it hard to convince people to move to Kansas, as well as discourage people from crossing the state line to work at Kansas firms.

As a reminder for the Committee, 23 states have a lower income tax than Kansas.

Eight states have no personal income tax:

- Wyoming
- Washington
- Texas
- Tennessee
- South Dakota
- Nevada
- Florida
- Alaska

In addition, New Hampshire limits its tax to interest and dividend income, not income from wages.

Finally, as Kansas makes record investments in growing the state economy through programs like APEX, the need for workers will only increase. Kansas needs to become more competitive when it comes income tax rates in order for it to be a destination for talent. S.B. 79 would be a huge step in the wrong direction. Therefore, we strongly urge the Committee to reject S.B. 79.

Very truly yours,



Jason P. Watkins

Wichita Regional Chamber of Commerce