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Kansas Action for Children  
Written-only Opponent Testimony on SB 539  
Senate Committee on Assessment and Taxation

Chairwoman Tyson and members of the Committee:

Thank you for the opportunity to provide testimony in opposition to SB 539, which, despite the inclusion of several important tax policy changes, contains provisions we do not believe will best help Kansas children and families.

Kansas Action for Children is a nonprofit advocacy organization working to make Kansas a place where every child has the opportunity to grow up healthy and thrive. We work across the political spectrum to improve the lives of Kansas children through bipartisan advocacy, partnership, and information-sharing on key issues, including early learning and education, health, and economic security for families.

We provided testimony earlier this session on SB 377, the Governor's tax package, which included several similar components as SB 539 and the recently vetoed CCR on HB 2284. We support some specific provisions in SB 539, including the increase to the amount of a home's valuation excluded from the state property tax; the acceleration of the elimination of the state sales tax on food; and easing the impact of taxation on social security income.

All three of the significant tax packages we've seen this year have commonalities, and we encourage the committee to prioritize the components with bipartisan support.

We must draw attention to the continued inclusion of a single income tax rate for resident taxpayers in SB 539. We continue to strongly oppose this policy because a dynamic and elastic three-bracket system is a better structure for the state in the long term. As has been stated multiple times in tax committees this and previous sessions, taxpayers are prioritizing property and sales tax relief – few low- and middle-income households are identifying the state income tax as a significant tax burden.

The increase in the personal exemptions in SB 539 is interesting and is likely included to ease the higher single rate that lower-income taxpayers would be subject to under the bill. Yet, we believe a state-level child tax credit, which would truly help families raising children, is a simpler, better proposal. We have proposed bills (SB 436 and HB 2687) this year for a state-level child tax credit with a much more modest cost than a single income tax rate.

Additional options to consider instead of the single rate income tax are increasing the child and dependent care credit, sales tax exemptions for diapers and feminine hygiene products, and a significant increase to the standard deduction for individual income taxpayers.

The Committee could consider additional property tax relief that would return eligibility to renters for the homestead credit program. Because of the eligibility requirements, this credit program goes beyond aiding only senior citizens; it also includes families with children if they meet other income requirements. Many families find themselves renting or leasing rather than owning homes due to the high cost and limited availability of housing. Expansion of the credit to include renters once again is a proposal the Committee should seriously consider this session.

Because of the limited time available to analyze the bill's contents and fiscal impact, we cannot draw immediate conclusions as to the bill's cost nor the impact on certain types of taxpayers. We anticipate this bill to have a smaller fiscal note than previous tax packages this session, but its relevance and meaning to working families is also less helpful when compared to the other tax policy options we've shared in this testimony.

**We believe it's time to focus on working families with low and middle incomes for the next round of tax relief.**

We urge you to reconsider moving forward with a single rate income tax in future tax policy packages and negotiations. We are optimistic a bipartisan package is possible yet this session and encourage the Committee to work toward something that is meaningful for Kansas families and focusing on the targeted relief they need.

If I can be of further assistance, please contact me at [adrienne@kac.org](mailto:adrienne@kac.org).