



*Kansas  
Licensed  
Beverage  
Association*

*Philip Bradley  
CEO*

*1372 N 1000  
Rd. Lawrence,  
KS  
66046-9608*

*785.766-7492  
[www.klba.org](http://www.klba.org)  
[phil@klba.org](mailto:phil@klba.org)*

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Testimony Opposing HB 2306  
House Tax Committee

Chairman Kleeb, and Members of the Committee,

I am Philip Bradley representing the Kansas Licensed Beverage Association. The KLBA represents the interests of the men and women in the hospitality industry, who own, manage and work in Kansas bars, breweries, clubs, caterers, hotels, and restaurants. These are the places you frequent and enjoy with the tens of thousands of employees that are glad to serve you. Thank you for the opportunity to speak today and I will be brief.

**We all ask and urge you to oppose HB 2306!**

Targeted taxes, in this case, are bad idea. We oppose targeted taxes. We believe that the funds the state needs for general state needs should come from the taxes that all citizens pay, sales, property and income. **Targeting individual industries only makes that industry less competitive** in the market place and **drives consumers to other states, on-line sales outlets or black markets** where **Kansas receives no tax revenue**. The legislature has considered and granted many roll backs and tax benefit to individual industries for just that reason. We ask that you apply consistent reasoning here as well.

Some legislators are rallying around the argument that targeted taxes will pull us out of the state's budget deficit or that they are the answer to specific programs budget woes. They mistakenly contend that consumers of alcoholic beverages, tobacco, lottery tickets and/or some other group should be obliged to pay disproportionately high taxes to help underwrite services that all Kansans enjoy.

***This proposed increase will increase the prices to the consumer driving them to seek other sources!***

**Targeted taxes of any kind are the fuzziest form of math**, and dangerous because of the implication that a small group of "others" should and can generate enough revenue to fill our current budgetary shortfalls. And they are certainly no way to balance a budget: According to the National Conference of State Legislators, a stable revenue source is "one that is broad-based, equitable, and not narrowly targeted at one specific type of economic activity . . ." The above-mentioned taxes do not pass this test.

The state's spending is overwhelmingly for general purposes: education, social services, transportation, and public safety. Where all citizens benefit, all taxpayers have been willing to contribute equitably to the revenue stream that pays for these programs. It is discriminatory to expect even larger taxes on targeted industries to subsidize statewide needs, and in fact, the numbers that are coming out of budget committees leave too large a hole to be filled with a simple targeted tax.



**Drink Responsibly.**  
**Drive Responsibly.**

**The needs of all should not be carried on the backs of a few.** In a previous state of the state, about the state budget solution, a previous Governor said, "Every Kansan will be affected. Every Kansan will be asked to contribute to the solution." The citizens of Kansas, when shown where specific monies can be directed to provide services, have always been willing to pay their fair share, but first have rightfully asked exactly how existing revenues have been allocated. Increasing the tax burden of the hospitality industry, a segment extremely hard-hit since the 9-11 tragedy, and first and most deeply affected in the current economic downturn, would be counterproductive.

**Asking every Kansan to be part of the budget solution is, I suggest, the fairest way out of the budget crisis** and the only route that will put the state back on a fiscally sound track. To attempt to balance the budget with any other selective form of taxation would not only be punitive to the targeted group in the short term; it would be fiscally irresponsible in the long run.

Our industry is working and is a compliant contributor to the success of the state of Kansas. Please do not kill the golden goose in an effort to fix that which is not broken!

There are undoubtedly further issues and questions that will arise as these are read therefore I am available for your questions today and at your convenience.

Again thank you for your attention and consideration.

Philip Bradley

