



May 6, 2015

Testimony in Opposition of HB 2430

Mr. Chair and members of the Committee:

On behalf of Americans for Prosperity, thank you for this opportunity to voice our opposition to HB 2430. This bill would reverse the progress that Kansas has made toward reducing the income tax burden on Kansas families and businesses.

The income tax reductions were originally proposed in the Kansas Senate. In 2012, the Kansas Senate voted 29-11 in favor of reducing the income tax. The bill went to the Kansas House for passage on a 64-59 vote and was signed by the Governor.

Since passage, a large portion of the media coverage surrounding the income tax reductions has centered on state revenue, not Kansas small business.

Kansas has added more businesses, and the trajectory of new business formation shows a positive trend.

Kansas has added more than 30,000 jobs since the tax cuts took effect, according to U.S. Department of Labor Statistics data. During the same time period, Nebraska added only 3600 new jobs and Oklahoma added only 11,000. Unemployment in Kansas is at 4.2% full percentage point lower than Missouri.

The full effects of the reduction of Kansas income tax rates and rules for LLC and S Corps will take more than 26 months to be fully realized. The current cuts are benefitting Kansas families and businesses, but in order for this to truly be a success, Kansas leaders must continue the progress made by the 2012 tax reform package.

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