

**Testimony  
Peggy Johnson  
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Proponent HB2444**

Thank you Chairman KleeB and members of the tax committee.

My name is Peggy Johnson, and I retired December 1, 2015 as a financial advisor with Ameriprise Financial and am from Lawrence, Kansas.

As a business owner, I was a beneficiary of the 2012 tax plan. I did not understand Governor Brownback's strategy to eliminate income tax on business. I assume the hope would be that new business would locate to Kansas and existing business would hire new people and create jobs. That is a stretch to believe that would indeed happen. I believe we must all pay our fair share of taxes.

Based upon actual revenues being lower than projected it appears the 2012 tax plan did not add new businesses nor add jobs as one hoped for. I did not add one new employee since 2012 as I did not need any new staff. I represented multiple business owners as their financial advisor. Not one of them added new employees with this new found money as they were not needed. This did add money to my bottom line as it did for many businesses. I would have much preferred to pay state income tax which could be used to fund programs and pay debt.

I believe a balanced budget which includes spending cuts and increased revenue is prudent. Our government must be ever vigilant to waste and spending. We must be fiscally responsible in balancing our spending and revenue. Increasing our debt and not funding worthy programs is not a sound long term plan.

I am concerned about:

Balancing the budget.

Cut funding to education (primary and secondary) and KODT.

Sales taxes are continuing to decline. Is this a short or long term trend? What about internet sales?

There may be increased pressure on property taxes if sales taxes continue to decline. In my opinion we are already too reliant on property tax. It feels like we are penalized for owning property.

Increasing debt, and the pressure those payments will have on future budgets.

Not staying on track to pay off our KPERS liability.

I don't intend to be an expert on the bill but have expertise as it relates to living and observing the income tax policy part of the bill. Correcting the issues we are creating by eliminating the tax on businesses is so important that I must weigh in on this issue. I know the bill will take many forms between this hearing and any possible passage. I urge you to take advantage of this opportunity to replace tax on business for the reasons stated in my testimony and will be happy to stand for questions.