



House Taxation Committee

Tim McKee

Testimony In Support of HB 2444

March 15, 2016

Chairman Kleeb and honorable committee members,

On behalf of the Olathe Chamber Board of Directors, I am submitting testimony in favor of HB 2444. While our members are not fully behind all provisions of the bill they are supportive of the Kansas Legislature looking at our state's current tax policy. Members of our Business to Government (B2G) committee, which handles legislative issues for the Chamber, have met with several legislators throughout the past two years to learn about both the state of the budget and possible revenue sources to fill any budget gaps. Throughout this process, we have come to appreciate the difficult challenges you face with balancing tax policy and state budget demands.

While we believe it is prudent to first reduce spending before tax increases are considered, we understand year after year budget gaps cannot be filled by additional spending cuts alone; the amount is just too great. In addition, the instability in state revenue and budgeting bring uncertainty to our states economic climate and this is causing concern for our members. As such, we greatly appreciate the need for revenue enhancements; however, we are not supportive of the multiple proposals that have been introduced this session to raise state revenue through fee sweeps, increased administrative fees and eliminating or cutting economic development tools. As you focus on finding a tax plan to support, we urge you to seek a plan that is broad-based and balanced. While our Board has not voted with respect to any particular tax policy, we have consistently held the position that predictability and stability are vital to a strong business climate. To that end, we are hopeful that any tax plan advanced by the legislature will not rely on a single source of tax, nor over-burden any particular segment of the business community. For example, as representatives of a border community, we do not believe it would be prudent to rely solely on a consumption tax that would place our retail member businesses at a significant disadvantage when compared to their Missouri competitors. In addition, we are not opposed to revisiting the recent income tax reforms for tweaks that may bring greater certainty and predictability for tax planning. Again, as long as the plan is broad-based and fairly balanced, the Chamber will not oppose it. What our members desire is for the legislature not to be back year after year making legislative changes that impede long-term business planning and investment in Kansas.

I appreciate the difficult work and decisions you have ahead of you, and I am thankful you are willing to serve the people of Kansas. As always, if you have any questions, please feel free to contact me 913.764.1050. I look forward to our continued partnership in keeping Kansas and the Olathe Community a vibrant place to live and work!

Tim McKee, CEO
Olathe Chamber of Commerce
18001 W. 106th St., Suite 160
Olathe, KS 66061-0098