



**Senate Assessment & Taxation Committee  
Tim McKee, Olathe Chamber of Commerce  
Testimony In Support of SB 508**

Chairman Donovan and honorable committee members,

Over the last several months members of our Business to Government (B2G) committee, which handles legislative issues for the Chamber, have met with several legislators 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 current tax policy and with state budget demands. In addition, we are hearing concerns from members that the pass-thru income tax exemption is too broadly being applied to passive income and should be revisited on grounds of tax fairness as well as its contribution to our budget instability. As such, our members are supportive of the Kansas Legislature reassessing our state's tax policy and making changes that better reflect the original intent of the tax changes – to stimulate business activity and growth. Therefore, on behalf of the Olathe Chamber and our members, I am submitting testimony in favor of the spirit of SB 508, which is to modify the 2012 legislation that exempts non-wage business income from taxation.

Our Board has not voted with respect to any particular tax proposal, but we have consistently held the position that predictability, stability and simplicity in the tax code are vital to a strong business climate. While we believe it is prudent to first reduce spending before tax adjustments or increases are considered, we understand year after year growing 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 which is of great concern to our members. To that end, we are hopeful that legislative action this session will address our concerns with the non-wage business income exemption while not over-burdening any particular segment of the business community with additional taxes.

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!

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