

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

STATE CAPITOL, 149-S
300 S.W. TENTH AVENUE
TOPEKA, KS 66612
(785) 296-7357
pat.proctor@house.ks.gov



DISTRICT OFFICE
624 KICKAPOO STREET
LEAVENWORTH, KANSAS 66048
(913) 250-5553
pat@patproctor4ks.com

PAT PROCTOR

41ST DISTRICT

LEAVENWORTH, FORT LEAVENWORTH & KICKAPOO

January 26, 2023

Chairman Adam Smith
Chair, House Committee on Taxation

RE: HB2011

Mr. Chairman:

Thank you for allowing me to appear in strong support of HB 2011.

This bill exempts all pay and benefits for military service for servicemembers, regardless of service or component (active, reserve, or National Guard).

Very few active duty personnel actually pay taxes in the State of Kansas. Because other states, such as Texas and Alaska, have no income tax, most active duty servicemembers change their residency to one of these states when stationed in those locations. When these servicemembers and their families come to Kansas, they typically maintain their residency in those states to avoid paying Kansas income tax. For purposes of illustration, according to the most recent census, 7,000 to 8,000 people—active duty servicemembers, retirees, contractors, and their families—live on Fort Leavenworth, but only around 1,000 of these people are Kansas residents. You will find similar numbers at Fort Riley and McConnell Air Force Base.

This is one of my reasons for filing this bill. I want more active duty servicemembers who serve in Kansas to become Kansas residents! It will draw them closer to the communities outside the gate of their installations. But, more importantly, it will encourage more of them to come back or stay here after they separate, to build their lives and their families here in Kansas.

The overwhelming majority of the cost of this bill will come from exempting National Guard and Reserve pay. These men and women risk their lives and their health, often in service of the state when activated by the Governor. It seems only appropriate that we not tax the pay of these servicemembers that we pay to them to serve us.

Active duty military installations bring significant benefits to our state. According to NCSL, as of 2009, these impacts included:

- \$7.7 billion per year in gross state product (2.3% of our state's GDP)
- 169,560 jobs supported directly or indirectly (9.4% of total employment)
- \$393.6 million per year in city/county, regional and state tax revenue
- 41,152 servicemembers serving in our state (excludes family members)

We want to do everything we can to be a military-friendly state, to keep these installations here, contributing to our economy. But we could be reaping even more benefit from these installations. We could be enticing more of these 41,152 servicemembers and their family members to stay in our state after they separate from the military, growing their lives and growing our economy.

Thank you for your time and attention. And thank you for considering this bill.

Sincerely,

A handwritten signature in black ink, appearing to read 'Pat Proctor', written in a cursive style.

Pat Proctor, PhD.
Colonel, U.S. Army, Retired
State Representative
Kansas House District #41
Leavenworth, Fort Leavenworth, and Kickapoo