



March 10, 2023

To: Representative Adam Smith, Chair  
House Committee on Taxation

From: Brenda R. Sharpe, President and CEO  
The REACH Healthcare Foundation

Subject: Senate Bill 169: Changes to Individual Income Tax Brackets

Dear Chairman Smith and Members of the Committee:

Thank you for the opportunity to provide written testimony on SB 169, a bill that would establish a single income tax rate of 4.75% for all individuals except those who earn less than \$5,525 annually. This proposal, similar to other flat tax bills, would cost the state nearly \$1.5 billion and would not provide meaningful benefit to lower income earners.

The REACH Foundation has long maintained its opposition to tax proposals that seek to replace the state's current tiered income tax structure, which more fairly distributes the tax burden across earners. As currently outlined, eliminating the tiered structure would provide the most benefit to the highest-income Kansans. Furthermore, cutting into a critical source of state revenue would put essential state programs at financial risk. Our position on this bill is not based in theory but in the experience we had with a former administration's tax policies, which hobbled the state's capacity to meet basic obligations.

Elected leaders set budget priorities and make spending decisions in ways that profoundly affect basic state infrastructure and programs that families and communities depend on, and which preserve our quality of life in Kansas. Establishment of a sound and fair tax structure that ensures adequate revenues to support basic state programs and services is fundamental to solid economic growth.

Flat tax supporters may suggest that flattening the income tax will draw new investments. Studies of migration of workers and businesses pinpoint that employers and workers want to locate where there is quality housing, good schools, reliable infrastructure, and economic development efforts that support workforce and business growth.

We believe that based on recent history in Kansas, erosion of state resources will whittle away at the government's ability to support its residents and produce the economic vitality needed. We urge the Committee to examine research on flat taxes and revisit the impact of reduced revenue on previous Kansas budgets in place of adopting this particular proposal.

Sincerely,  
**Brenda R. Sharpe, President and CEO**  
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