



# CITY OF TOPEKA

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To: House Committee on Taxation  
From: Stephen Wade, City Manager on behalf of the City of Topeka  
Date: March 13, 2023  
Re: Opponent Testimony on SB 248

I would like to thank Chairman Smith and the Committee for allowing the City of Topeka the opportunity to testify in opposition of SB 248.

SB 248 as amended has accelerated the repeal of sales tax on food and, most concerning, exempted local taxes from being applied on food, which is a deviation from current law. This provision will have a significant impact on the City's finances, as well as most other communities in Kansas, should it become law.

The City of Topeka is highly concerned about the impacts this bill would have on the critical services the City provides. The average historical consumption at grocery stores is trending upward at around 5% year over year. A conservative estimate after analyzing historical data, is that the elimination of our local sales tax on groceries would be a loss of \$5 to 6 million to the City of Topeka's general fund, and an additional \$2.5 million loss specifically to the city's street fund. To put this in perspective, that is 25% of our budget for law enforcement officers. To maintain current services, this would require a significant property tax increase of potentially 6 mills or the termination of 15% of the general government workforce. Widespread layoffs would have immediate and significant impacts on the ability to provide public safety, maintained roads, nuisance abatement, operate just courts, and other services.

We understand the need and desire to make things like groceries more affordable; however, at the local level we have limited sources of revenue: primarily property taxes and sales tax. Our governing body regularly looks for savings and ways to decrease property taxes and utilities rates while still providing vital public services requested by our citizens. We would ask that you leave decisions such as the elimination of a significant source of revenue in the hands of our local officials and really consider the potentially devastating impacts the passage of this bill will have on the citizens expecting safe communities. Please strike the language eliminating local government sales tax from this bill before passage.