



January 31, 2024

Madame Chair and Members of the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our nearly 1,500 members, thank you for the opportunity to provide written neutral testimony to S.B. 377, AN ACT concerning taxation; relating to property tax; increasing extent of exemption for residential property from statewide school levy; relating to privilege tax; decreasing the normal tax rates on banks, trust companies and savings and loan associations; relating to income tax; increasing the tax credit amount for household and dependent care expenses; eliminating the income limit to qualify for the subtraction modification for social security income; increasing the Kansas standard deduction; relating to sales and compensating use tax; providing a sales tax exemption for certain sales of school supplies, computers and clothing during an annual sales tax holiday; providing sales tax exemptions for children's diapers and feminine hygiene products; reducing the state rate of tax on sales of food and food ingredients.

While there is a lot to like in the governor's tax plan, it does not do enough for Kansas' small and medium sized businesses. Kansas C-Corporations will be receiving a full one point reduction in income taxes due to APEX. However, that does nothing for pass through entities like S-Corporations and Limited Liability Companies and Partnerships. Kansas businesses, which are the lifeblood of the Kansas economy, need tax relief.

Should the Committee decide to amend S.B. 377 by including real tax relief for Kansas pass through entities, which could be achieved by a significant lowering of the top rate or by including a reasonable single income tax rate, the Chamber would be in strong support.

Thank you for your consideration.

Very truly yours,

Jason P. Watkins