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HB 2084 Proponent Testimony to the House Taxation Committee on Wagering Losses  
February 6, 2025

Chairman Adam Smith and members of the House Taxation Committee:

Thank you for the opportunity to present written testimony for HB 2084 which underscores a critical need for legislative action to realign Kansas's tax treatment of wagering losses with federal standards.

**Legal and Fairness:** A significant legal and fiscal misstep happened in 2012 when Kansas diverged from federal guidelines by eliminating deductions for wagering losses. This legislative action, aimed at compensating for revenue shortfalls due to tax exemptions provided to farmers and businesses, inadvertently imposed an unfair tax burden on casino patrons. The failure to revisit this policy, even after reinstating tax obligations for the previously exempted groups, created a legal inconsistency that undermines the principles of equitable taxation. HB 2084 rests on the premise that aligning state tax practices with federal guidelines would not only rectify this legal inconsistency but also reaffirm Kansas's commitment to fair and balance tax legislation.

**Economic Considerations:** Beyond legal arguments, there are economic ramifications of the current state tax policy on wagering losses creating a detrimental impact of the tax discrepancy on an industry integral to the state's financial health. HB 2084, therefore, transcends legal rectification, aiming to foster a supportive economic environment that benefits all stakeholders.

**Conclusion:** HB 2084 presents a compelling case for legal reform, grounded in the principles of equity and economic sustainability. Testimony to the House Taxation Committee not only calls attention to a significant oversight in Kansas's tax code but also mobilizes support for a legislative amendment that promises widespread benefits. As the committee deliberates on HB 2084, this testimony serves as a robust foundation for a decision that could redefine Kansas's approach to taxation and economic development.

Thank you for your consideration and as a Proponent for HB 2084 be hopeful for anticipation for legislative action that aligns with Kansas's commitment to equitable policy and the well-being of its citizens. Please consider this bill to be retroactive to Jan. 1, 2024.

Sincerely,



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