



Testimony in Support of Senate Bill 109
Mr. Daniel Murray
Kansas State Director, National Federation of Independent Business

Senate Assessment & Taxation Committee
February 4, 202

Madam Chair and members of the committee, I am pleased to submit testimony in strong support of SB109 on behalf of NFIB Kansas. NFIB Kansas is the leading small business organization in Kansas representing small and independent businesses. A non-profit, nonpartisan organization founded in 1943, NFIB Kansas represents the consensus views of its almost 4,000 members in Kansas.

Senate Bill 109 would allow for a 1.5% credit to retailers for each remittance of sales and compensating use tax they are required to make. The bill states that the total credit amount for each month shall not exceed \$300 for each retailer. While we understand the fiscal tightrope you must balance, we would certainly welcome an amendment to increase the proposed cap to reflect an amount that more closely reflects a retailer's actual costs.

Kansas retailers are required to collect and remit state and local sales taxes to the Department of Revenue. This onerous mandate comes at a cost to our retailers, [particularly our small businesses](#), in both time and technology. Yet, our small businesses are not compensated for serving as the tax man for the state. Many states provide a vendor compensation allowance to retailers, allowing them to retain a percentage of the revenue collected as compensation for their administrative costs. We believe this bill is a reasonable effort to reimburse retailers for their costs associated with the collection and remittance of sales taxes.

Thank you for your consideration of our comments, and we strongly urge you to vote SB109 favorably for the passage.