

March 4, 2025

To: Kansas Senate Committee on Assessment and Taxation
From: Americans for Tax Reform
Re: **Support SB 259**

Dear Chairwoman Tyson and Members of the Committee,

On behalf of Americans for Tax Reform and our supporters across Kansas, **I urge you to support SB 259**, legislation that would implement responsible revenue triggers that will keep spending in check and reduce the state income tax rate over time. This pro-growth tax reform aims to keep Kansas competitive and reduce the tax burden upon all families and small businesses, making the Sunflower State an even more attractive place to live, work, and raise a family.

I'd like to first congratulate you on the income tax cut that came into effect on January 1, thanks to the efforts of you and your peers. Dollars are already beginning to flow from the unproductive public sector back into the hands of entrepreneurs, families, and small businesses which file under the personal side of the income tax code. On top of that, Kansas now only has two rates instead of three, making it that much easier to ultimately achieve a fair, flat rate.

But now is not the time to rest on your laurels. **With the introduction of New Hampshire to the proud ranks of no-income-tax states last month, there are now eight states with no tax on personal income, including nearby Texas, South Dakota, and Tennessee.** And the race to cut income taxes is heating up dramatically.

States across the nation are moving at a record pace on tax cuts and simplification. **Just since 2021, a total of six states have exchanged their progressive income tax system for a single rate, bringing total number of states with a flat tax to 23** (including the eight states that impose a flat rate of zero). The addition of Kansas will bring that figure up to virtually half the country.

The tax-cutting trend shows no sign of slowing in 2025, especially under a President determined to enact a sweeping national tax cut of his own. **No less than 10 states are expected to enact some form of income tax rate reduction in 2025.** Some of these states, such as Missouri, are looking to implement revenue triggers such as the ones before you today, which guarantee permanent income tax cuts whenever spending exceeds a certain amount. **But even in absence of major budget surpluses, conservative leaders around the country remain laser-focused** on delivering permanent, structural income tax reform by keeping spending in check.

SB 259 presents a historic opportunity for Kansas to gain a regional economic advantage. The proposed cut would not raise taxes on a single Kansan; on the contrary, the triggers would guarantee a tax cut for every Kansan whenever the budget can handle it. And as the rate continues to creep lower, individuals and families can contemplate a move to Kansas with the confidence that their tax bill is on a trajectory downwards.

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202)785-0266

F: (202)785-0261

www.atr.org

Reducing the personal income tax rate also provides significant relief to small businesses, opening up new opportunities for entrepreneurship and investment. Pass-throughs businesses, S-corps and LLCs are taxed on the personal side of the code. With the lower and simpler tax paradigm proposed by SB 259, these smaller companies will have more resources to invest in new jobs, higher wages, and expanding their operations into new parts of Kansas.

But the most transformative aspect of the bill before you today is the revenue trigger component, some form of which has been enacted in at least eight states over the last decade. Triggers are the ideal structure by which a state can consistently reduce its income tax rate whenever tax collections exceed a certain level of growth. This ensures that the state budget remains stable, even as residents continue to receive permanent, automatic income tax relief. Though it will likely take decades to eliminate their income taxes for good, Kentucky and West Virginia are officially on the path to zero, with revenue triggers firmly in place. Other states that have enacted some form of trigger include Georgia, Indiana, and Louisiana, which used last year's special session to cut from 4.4% progressive structure all the way down to a 3% flat income tax rate.

The bill sends a clear message that Kansas lawmakers are cultivating a healthy, sustainable, pro-growth tax regime that encourages long-term investment and puts Kansas families first. **For these reasons, ATR urges you to support SB 259.**

Thank you for your leadership and public service.

Sincerely,



Grover G. Norquist
President
Americans for Tax Reform

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T:(202)785-0266

F:(202)785-0261

www.ATR.org