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To: House Taxation Committee

Date: February 15, 2012

Subject: **HB 2747** – Supporting the Proposal to Provide Comprehensive, Equitable and Meaningful Income Tax Relief to All Kansans and to Preserve the Ability of Kansas Taxpayers to Claim Federal Itemized Deductions Such as the Mortgage Interest Deduction and State and Local Property Tax Deduction on State Income Tax Returns

Chairman Carlson and members of the House Taxation Committee, thank you for the opportunity to testify today on behalf of the Kansas Association of REALTORS® in support of **HB 2747**. Through the comments expressed herein, it is our hope to provide additional legal and public policy context to the discussion on this issue.

KAR is the state's largest professional association, representing nearly 8,000 members involved in both residential and commercial real estate and advocating on behalf of the state's 700,000 homeowners for over 90 years. REALTORS® serve an important role in the state's economy and are dedicated to working with our elected officials to create better communities by supporting economic development, a high quality of life, sustainable communities and providing affordable housing opportunities, while protecting the rights of private property owners.

As a starting point for this discussion, REALTORS® support fundamental income tax reform that will provide meaningful tax relief and create economic development opportunities for Kansas families and businesses. Having said that, REALTORS® believe that the goal of income tax reform should be to reduce the tax burden on all Kansans and not shift the tax burden between different classes of taxpayers, including increasing the tax burden on Kansas homeowners through the elimination of the mortgage interest deduction and the state and local property tax deduction.

Unlike other comprehensive income tax reform proposals that are currently being discussed by the Kansas Legislature, **HB 2747** provides comprehensive, equitable and meaningful income tax relief to all Kansans and does not increase the tax burden on a particular group or groups of Kansas taxpayers to provide tax relief for other Kansas taxpayers. Accordingly, REALTORS® strongly support the provisions of **HB 2747** and believe that this proposal will provide meaningful tax relief for Kansas taxpayers and create economic development opportunities for Kansas families and businesses.

According to an initial analysis of the proposal, the passage of **HB 2747** would provide equitable and substantial net income tax reductions for Kansas taxpayers in all brackets, classes and groups. In doing so, REALTORS® believe that **HB 2747** represents a groundbreaking and innovative economic development package that will lead to increased economic prosperity and job growth in the Kansas economy while not penalizing those Kansans who currently benefit from itemized deductions through a higher tax burden.

For all the foregoing reasons, we would urge the members of the House Taxation Committee to strongly support the provisions of **HB 2747** that would provide meaningful income tax relief for all Kansas taxpayers and create economic development opportunities for Kansas businesses and families. Thank you again for the opportunity to testify and I would be willing to stand for questions at the appropriate time.