



**Written testimony in opposition to Senate Bill 430
Senate Assessment & Taxation Committee
Tuesday, March 13, 2012**

Chairman Donovan and Senate Assessment & Taxation Committee Members:

My name is Jennifer Bruning, and I am Vice President of Government Affairs with the Overland Park Chamber of Commerce. I am submitting written testimony today in opposition to Senate Bill 430 on behalf of our Board of Directors and our nearly 1,000 member companies.

While the reduction of state income tax and possible elimination of such sounds like a pro-business move that could possibly lead to new business growth in our state, it is still uncertain how such a large shift in our tax structure will affect the revenue streams and quality of our state's largest budgetary items including K-12 education, social services and KPERS funding.

Businesses crave stability in tax policy. Several of the tax proposals that have come forward this year may have merit and business' best interests at heart; however, companies need more time to adequately research and determine how such radical shifts in our state's taxing infrastructure may impact them. More study is necessary to contemplate unintended consequences and extenuating circumstances that may affect business productivity.

A broad and varied tax base is essential to stability in our tax system. The more narrow a state's tax base, the more susceptible it is to wide swings when specific segments of the economy have problems. While reduced taxes can modestly spur economic growth, researchers also find that state expenditures on education, infrastructure, highways and public health matter as much or more than taxes in determining economic growth rates. This assertion is also backed up in a recent scientific survey of Johnson County businesses and voters which revealed that the majority highly support these quality of life issues and feel that state tax levels should remain "about the same" as they are currently.

For these reasons, we urge you to not impose a spending lid on state government and oppose Senate Bill 430. Thank you.

Sn. Assmnt & Tax
3-13-12

Attachment # 3