



Wichita Independent Business Association

THE VOICE OF INDEPENDENT BUSINESS

March 13, 2013

**Written Testimony Before the Senate Assessment and Taxation Committee
SB 229**

By Tim Witsman, President

Chairman Donovan and members of the Committee:

Thank you for the opportunity to provide input on the Governor's tax proposal for 2013. The Wichita Independent Business Association (WIBA) has represented Kansas businesses for 81 years. WIBA membership ranges from the individual sole proprietor operating a home-based business to large corporations with thousands of employees. WIBA has almost 700 member businesses from Wichita and throughout the state and represents more than 250 industries.

In a recent WIBA survey, members indicated that their top concerns remain business regulations/mandates and the impact of the Affordable Care Act, the next three issues of importance to them are:

- To provide economic development incentives for Kansas businesses
- To lower personal income tax rates and
- To provide adequate funding for K-12 education

Passage of SB 229 will provide incentives for small retailers that currently collect and remit sales tax to the state. In addition, it will reduce the burden of regulation because retailers will be compensated for their important role in the tax collection process.

Currently, retailers are not compensated for collecting and remitting this tax to the State of Kansas. Retailers in the state are allowed to keep a fee for what they collect for the collection and remittance of other types of taxes and fees, but not for sales taxes. In addition, retailers in many other states are allowed an administrative allowance. This would be a positive step forward for small businesses, who's margins are small and are the backbone of the Kansas economy.

We look forward to working with the members of this committee and other stakeholders on the SB 229 and the positive impact this bill will have on small businesses in Kansas.