Written Testimony before the Senate Assessment & Taxation Committee
HB 2255 – Sales Tax Refunds for Telecommunications Machinery & Equipment
Submitted by J. Kent Eckles, Vice President of Government Affairs

Tuesday, March 19th, 2013

The Kansas Chamber of Commerce appreciates the opportunity to submit written
testimony in favor of House Bill 2255, which would allow for sales tax refunds to be paid
on the purchase of certain telecommunications machinery and equipment.

The Kansas Chamber is supportive of equitable tax treatment for all Kansas companies.
Since 1986, business machinery and equipment has been exempt from Kansas' sales taxes
and we believe telecom equipment should be afforded similar treatment.

With the telecommunications industry sector being such a large part of the State's economy,
we feel the equitable tax treatment provided under House Bill 2255 is necessary to allow
Kansas to attract high paying jobs and investment in the new media, electronic commerce &
high-technology industries.

A National Governor's Association (NGA) report entitled "Telecommunications Tax Policies:
Implications for the Digital Age," states that in order to achieve tax reform in telecommunications,
states should extend sales tax exemptions or refunds to telecommunications equipment.

Source: http://bit.ly/VU3yVz

Additionally, according to a Council on State Taxation (COST) study of how states
tax the telecommunications industry, surcharges imposed on telecommunications in Kansas
amount to a rate of 15.910% compared to just 6.35% for products sold by most other businesses.

Source: http://bit.ly/Ytx6o8

We urge the Committee to pass favorably House Bill 2255 to better improve the State's business
tax climate and help spur investment and job creation in the State.

The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group
moving Kansas towards becoming the best state in America to do business. The Chamber represents small,
medium and large employers all across Kansas.

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