

February 16, 2015

Mr. Chairman and Members of the Committee,

On behalf of the Kansas Beer Wholesalers Association, thank you for the opportunity to offer testimony on H.B. 2261. The KBWA stands in strong support of this legislation.

Kansas beer distributors have been fortunate in that our industry has not experienced layoffs to any great degree. We run very high-tech, efficient operations. As is common with many businesses, we utilize a business model based on margins. Therefore, it is critical that we operate in a regulatory and tax environment that is low cost and business friendly.

Despite the fact that we have not had layoffs and maintain good experience ratings, beer distributors have seen an increase in unemployment insurance taxes. This is problematic for the aforementioned business reasons. It is also frustrating, as there seems to be very little explanation of why these taxes are increasing. In addition, since these taxes are sizeable, it is very hard to forecast expenses. This makes long-term business planning difficult.

Creating an unemployment tax system that is less expensive, more predictable and understandable for our industry would benefit our industry and the state on the whole. It would allow us to better invest in operations and the communities in which we live.

We urge the Committee report H.B. 2261 favorable for passage.

Thank you,

Jason Watkins
Executive Director