

Brown Bag Liquor - Your Neighborhood Liquor Store

Written Testimony
House Taxation Committee
February 18, 2015

Chairman Kleeb and members of the committee,

My name is Steve Nelson and I have owned Brown Bag Liquor in Olathe for the past 15 years.

I am asking you to oppose HB 2306 which would increase the tax on liquor by 50%.

On Saturday at a forum in Johnson County, a legislator stated that they purchased \$5000.00 in liquor from a Missouri store for their son's wedding because it was cheaper and they delivered it for free.

This is an issue that all liquor store owners close to the state line deal with on a daily basis.

Taxes on alcohol are already lower in Missouri and we lose business everyday because of this. Missouri taxes are also lower on food and fuel – this makes a shopping trip.

HB 2306 would increase the tax by 50% and it is common sense that this would drive even more business across the state line. This bill would do the reverse of what it proposes. Loss of business equals loss in tax dollars and possible loss of businesses and jobs, especially those closest to the state line.

Johnson County, where Brownbag Liquor is located accounts for over 20% of the gallonage and enforcement tax collected in the State. If you include Wyandotte County, the figure is closer to 30%. We compete directly with stores in Kansas City, Missouri, which as the documents provided you show, has a much lower tax rate on alcohol. This competitive imbalance already affects our businesses. An increase in those taxes would cause serious financial damage to retail stores and restaurants in our state. People will take business away from Kansas and into Missouri as the price difference escalates.

There are many more reasons to oppose this bill but losing tax dollars and small businesses are the biggest reasons I ask you to vote no on HB 2306.

Thank you,

Steve Nelson
steve@brownbagliquor.com

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Located at 195 N. Parker Rd. Olathe, KS • Corner of K-7 and Santa Fe (135th)