



March 15, 2016

Testimony in Opposition of HB 2444

Chairman Kleeb and Members of the Committee:

On behalf of Americans for Prosperity activists across Kansas, thank you for this opportunity to voice our opposition to HB 2444. This bill would reverse the progress that Kansas has made toward reducing the income tax burden on Kansas small businesses.

The tax reforms passed in 2012 gave tax relief to Kansas families, and incentivized small businesses. The results are clear: There are more Kansans employed now than any time in our state's historyⁱ. The unemployment rate is the lowest in the last 15 years. In 2015, Kansas set another record for number of businessesⁱⁱ.

The changes to Kansas small business tax policy contained in HB2444 would not only set the Kansas economy back, but miss the underlying problem in state finances.

Total SGF revenues collected in 2015 were up 1.3% over 2014 revenues. Revised estimates for 2016 revenue are projected at 6.4% above 2015, and 2017 revenue is expected to increase another 2.8%.

The Kansas Legislature used the bulk of the 2015 Session to consider additional sources of revenue to fix a perceived 'budget shortfall', without first passing a budget to significantly reduce overall state spending. The final budget 2016 budget had \$69 million more in spending than FY2015, which was \$269 million more than FY2014.

Kansas has added thousands of new businesses, and tens of thousands of new jobs. The 2012 tax reforms are benefitting Kansas businesses, and the Kansas job market. Now is not the time to reverse the progress made by the 2012 tax reform package.

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ⁱ <http://cjonline.com/news/2016-01-22/kansas-gains-jobs-unemployment-rate-unchanged>

ⁱⁱ <http://kmuw.org/post/report-kansas-sees-five-percent-growth-businesses>