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Myca Bunch, President
Garden City Area
Chamber of Commerce

Thursday, March 1, 2018
House Committee on Taxation
Testimony in Support of HB 2756
by Myca Bunch, President

Good afternoon Chairman Johnson and Members of the Committee. Thank you for the opportunity to testify in support of HB 2756.

The Garden City Area Chamber of Commerce supports fair legislation that levels the playing field between online retailers and brick-and-mortar businesses in Kansas. The commercial members of our community are placed at a competitive disadvantage compared to online retailers who sell to the same customer base without paying sales tax.

The growth of our community in recent years has been notable and exciting, but we have also witnessed the shuttering of businesses unable to compete with online commerce. Our state and local sales tax revenues decline as more and more of our community members buy merchandise from online vendors.

The City of Garden City currently receives \$10.1 million annually in local sales tax compared to \$850,000 in compensating use tax and \$3.85 million in property tax. While Garden City is fortunate that it has seen sales tax on an upward swing for the last several years and trending ahead of comparable communities, we are aware that it won't last forever. It is also strange and disturbing to see compensating use tax decrease 19.68% in 2017. Preserving the "sales tax + compensating use" tax revenue stream helps to keep our local property taxes down and distributes, more proportionately, the cost of general government services to the audience who uses those services.

The retail sales world is vastly different than in 1992, when the U.S. Supreme Court determined that retailers should have a physical presence in a state to be required to collect sales tax. Our local retailers are bearing the burden of having to survive in a business world that is not equitable because many online retailers are not required to collect and submit retail sales tax. For this, and all the reasons above, we support House Bill 2756.

Thank you for your time and consideration.

**Garden City Area
Chamber of Commerce**
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