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TO: House Tax Committee
FROM: Amy L. Lange, City Manager, Concordia
DATE: March 1, 2018
RE: Testimony in Support of HB2756

The City of Concordia supports HB2756 as introduced. The vitality of our local businesses is critical to long-term community sustainability.

Concordia currently experiences 12 brick-and-mortar business vacancies in our downtown business district, as well as six brick-and-mortar business vacancies along two major highway corridors running through town. Several of these vacancies were created by retailers who were forced to directly compete with internet sales from both in-state and out-of-state businesses for items used by many of our local and regional community residents, such as shoes, men's clothing, children's clothing, sporting goods, jewelry, and gifts. Part of this competition stems from disparity in sales/use tax not charged to online retailers and the lack of ability to enforce this charge.

These vacancies invoke concern not only for the now-empty storefront, but for the lost employment opportunities for our citizens; the decline in property tax revenue to our city, our county, our local school district, and our local community college; and the lost sales tax revenue for our city and county governments.

Sales tax accounts for 21% of revenue for the City of Concordia, while compensating use tax accounts for 2%, and property tax accounts for 18%. Maintaining a viable revenue stream for the city insures our citizens will continue to enjoy the basic services required to support a community, such as emergency services, public safety, clean water, functioning wastewater treatment and storm drainage systems, streets in good repair, well-maintained parks, and recreation opportunities that help to attract new businesses to the community, including those in the industrial and service sectors. When retail products are purchased from online retailers, Concordia not only forgoes a portion of sales tax revenue, but the revenue earned by that online retailer is used to pay property taxes that enhance the vitality of another community...in another state.

We urge you to support HB2756 to provide a fair and reliable revenue source for Kansas. A vote in favor of HB2756 is a vote in favor your hometown businesses, and helps to insure the long-term sustainability of communities like Concordia.