



City of Dodge City

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To: Chairman Steve Johnson and Taxation Committee Members
From: Cherise Tieben, City Manager
Date: February 28, 2018
Subject: Written Testimony in Support of HB 2756

Dear Rep. Steve Johnson;

Thank you for considering my testimony on behalf of the City of Dodge City in support of House Bill 2756; a bill concerning about sales and use tax; remote retailers; nexus; marketplace facilitators; and digital products. This legislation could have a large, positive fiscal impact on Kansas cities that levy a sales tax, especially rural communities.

According to the market consumer data, brick-and-mortar sales continue to decrease while online sales continue to grow. There are many effects that come with online sales, from business struggling to remain open to large decreases in revenues for state and local governments. Especially for communities like Dodge City and surrounding cities that struggle to recruit and retain retail stores. Moreover, erosion of the sales tax base will require municipalities to expand their reliance on property taxes.

The inability of cities and counties to collect local option sales or compensating use tax on remote sales continues to erode a viable and fair revenue source. The City of Dodge City supports state legislation (such as House Bill 2756) establishing a program to help the state collect state and local sales and compensating use taxes due from in-state purchasers. We believe that remitted taxes should be distributed using existing methods/formulas for the state and local governments.

The City of Dodge City respectfully requests that you support House Bill 2756 or any similar legislation that will help local governments collect online sales tax. We urge you to work with all parties and find consensus among all interested groups. It is for all of the reasons above that we strongly urge you to support House Bill 2756.

Thank you for your time and consideration.

Sincerely,

Cherise Tieben
City Manager