



Responsible Policy. Real Prosperity.

March 12, 2018

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Kansas Center for Economic Growth
Written only testimony in support of House Bill 2616
House Taxation Committee

Chair Johnson and Members of the Committee:

Thank you for the opportunity to provide testimony on Kansas tax policy. The Kansas Center for Economic Growth (KCEG) is a nonpartisan organization dedicated to promoting balanced budget and tax policies that help ensure all Kansans prosper. We support HB 2616 because it helps hardworking Kansas families and begins to restore tax equity. However, we also believe that any reduction in food sales tax should be done gradually and responsibly, as part of recovery from the 2012 tax plan.

KCEG supports lowering the food sales tax rate gradually and responsibly for the following reasons:

- **Our food sales tax is high.** Kansas is one of only seven states to fully tax the sale of groceries and has the second-highest food sales tax rate in the nation.
- **Our high food sales tax actually loses Kansas revenue.** Forty of Kansas' 105 counties share a border with a neighboring state that either imposes no sales tax on food or does so at a lower rate. Lost food sales means lost tax revenue, and one study estimates that Kansas loses more than \$20 million a year – money not being spent at local Kansas businesses.
- **Food is a basic necessity for Kansas' families.** This is a widely popular, commonsense proposal that can put more than \$100 million back into the pockets of Kansas families.

The Kansas Center for Economic Growth supports lowering the food sales tax to help hardworking Kansans. Thank you for the opportunity to support House Bill 2616, and please do not hesitate to contact me at heidi@realprosperityks.com if you have any questions.

*To preserve our donor dollars and decrease our waste, we opted not to reprint our letterhead.
Please note our new address: 709 S. Kansas Ave, Suite 200, Topeka, KS 66603*