

STATE OF KANSAS  
HOUSE OF REPRESENTATIVES

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TIMOTHY C. HODGE  
72ND DISTRICT

**Representative Tim Hodge**

Testimony for HB 2618

Proponent – Written

March 12, 2018

To the respected members of the House Tax Committee,

HB 2618 provides an income tax bracket that taxes those making \$1 million as a couple, or \$500,000 at 10% on the income above these amounts.

You will notice that there are two (2) exhibits regarding this bill. The first shows, with some level of accuracy, the fact that there are about 3,000 folks that this will affect. This is derived from taking the total level of folks that are actually identified on the spreadsheet and also assigning an average of 3 to every "ND" on the sheet.

The second attachment shows how the 2012 tax breaks reduced these roughly 3000 filers from \$306 million in 2012 to \$103 million in 2013.

When the state ran short of money, first the reserves were spent, then sales tax was increased on everyone. Property tax also increased. All the while, the ultra-wealthy enjoyed a \$750 million or  $\frac{3}{4}$  of a billion in tax breaks. Was that money spent in Kansas? It is more likely it was spent in other places for vacations and property elsewhere.

Lastly, please remember that the LLC experiment was delivered to the federal level this year. That tax rate is going from 39.6% to 21%. That is almost a 20% decrease on the ultra-wealthy's federal tax liability. They can afford to be good stewards for our state.

Thank you.

TCH  
3/12/18