



Responsible Policy. Real Prosperity.

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Kansas Center for Economic Growth
Senate Bill 188
Senate Committee on Assessment and Taxation

Chairman Tyson and Members of the Committee:

My name is Heidi Holliday, and I am the Executive Director of the Kansas Center for Economic Growth. KCEG is a nonpartisan organization promoting balanced budget and tax policies that ensure all Kansans prosper. **Thank you for the opportunity to testify today in support of Senate Bill 188.**

Last December, a coalition of organizations called "Rise Up, Kansas" offered a comprehensive plan for Kansas tax reform. From the start, our coalition was genuinely open-minded about the final shape tax reform could take, as long as it achieved some fundamental goals:

1. **That it fixes the state's structural revenue imbalance and ends the perpetual cycle of fiscal crisis.** We must enact tax reform that aligns Kansas expenditures and revenues without relying on temporary sources. The structural gap is close to \$1 billion, which means simply closing the "LLC loophole" will not get the job done. We need a comprehensive approach that ends the "March to Zero."
2. **That it restores fairness and accountability.** The combined impact of tax policy changes adopted between 2012-2015 resulted in a net tax increase for 40% of Kansans. A plan that limits regressivity and requires everyone to "pitch in" is not only good policy, it will also generate much more public support.

Senate Bill 188 accomplishes these objectives.

At the end of the day, the Brownback tax plan just didn't work. We gave the experiment time, but the evidence of failure is irrefutable, and we're at the end of the line. This now comes down to a question of priorities. We can prioritize unaffordable tax breaks for a few at the top, or we can prioritize our home and investments that create prosperity for all. Since we can't have both, let's prioritize the option that allows us to accomplish more together than we can on our own. Please support Senate Bill 188.

Thank you Chairman Tyson and members of the committee for the opportunity to testify. I would be pleased to stand for questions at the appropriate time.