



**Written Testimony in Opposition to SB192  
Before Senate Assessment & Taxation Committee**

**Mr. Daniel Murray, Kansas State Director  
National Federation of Independent Business  
Tuesday, March 14, 2017**

On behalf of the National Federation of Independent Business (NFIB), thank you for the opportunity to submit testimony on SB192. NFIB is the state's leading small business organization representing small and independent businesses. A non-profit, nonpartisan organization founded in 1943, NFIB represents the consensus views of its over 4,200 members in Kansas.

**For the reasons the NFIB opposed SB147 and HB2178, we too oppose SB192.** The bill reverses course on the state's promise to reduce and eliminate income taxes on individuals and small businesses and injects uncertainty and complexity into small business operations and remove vital investment dollars from the Kansas economy.

**The bill promises to create confusion and unexpected expense by making the tax increase on small businesses retroactive to January 1, 2017.** Many small businesses have likely spent their state income tax savings on capital upgrades or improved employee benefits. This means they aren't saving and paying estimated quarterly taxes, and will be hit with an unexpected, and possibly door-closing, tax bill on April 15, 2018. Just imagine what your small business constituents will think when they learn the legislature voted to increase their income taxes by hundreds of millions **AND** that this potentially unaffordable broken pledge is retroactive to this tax year!

For the record, because SB192 proposes to tax small business income, we do support the provisions of the bill that restore the ability of affected small businesses to account for qualified business losses and various deductions.

Again, SB192 retroactively increases taxes on small businesses by hundreds of million and will increase uncertainty and compliance costs. Our members strongly urge you to oppose the bill.