Mark Desetti
Senate Committee on Assessment and Taxation
SB 224
March 17, 2017

Madame Chair, members of the Committee, thank you for the opportunity to weigh in on the motor fuels tax increase proposed in SB 224.

KNEA believes that the Kansas tax and revenue system needs to be repaired and repaired quickly. We have become increasingly alarmed the past few years by the continual collapse of revenue available for all state services.

While Kansas has held fast to the idea of this move to zero income taxes, what we have seen as a result is a continuing drop in revenue available to the state to provide for citizens. Naturally we are most focused on finding adequate and equitable funding for public education, but we are also concerned about the other important services that are now compromised.

We have watched as the highway fund has been nearly depleted putting the quality of our roads and highways in jeopardy. And with the highway fund depleted, the legislature last year turned to reneging on promises to educators and state employees by taking nearly $100 million out of pension obligations. The Governor actually recommends doing this two more times in his budget proposal for 2018 and 2019.

Kansas needs a comprehensive tax restructuring plan to get back to providing quality state services on which our citizens depend - not just public schools but also public safety, a social service safety net, and roads, highways, and bridges.

The benefit of increasing the motor fuels tax is that that money is protected. It cannot be swept from the highway plan and perhaps it is time to put highway funds in a secure place. Further, an increase in the motor fuels tax for highways allows for more flexibility with other sources of revenue.

We believe an increase in the motor fuels tax is an important part of a comprehensive solution to the state's revenue situation and urge this committee to consider SB 224 as part of such a solution.