



Testimony to House Taxation Committee SB 224 Citizens Right to Vote on Property Tax Increases March 16, 2017 Dave Trabert, President

Chairperson Tyson and Members of the Committee,

We appreciate this opportunity to testify in opposition of SB 224, which would increase the tax on gasoline by 5 cents per gallon.

Our opposition is three-fold: (1) the increase is not necessary; (2) the increase will have a negative economic impact and (3) citizens are not in favor of a gasoline tax increase.

Those who would profit this tax increase – highway contractors – are understandably not pleased with transfers of general sales tax from the highway fund. Those transfers occurred because Democrats and many Republicans have consistently refused to make government more efficient so instead, the budget was balanced with sales tax transfers. Increasing the gasoline tax by 21% (from 24 cents to 29 cents per gallon) is not necessary because the budget can still be balanced without tax increases or highway transfers.

Highway contractors will say the tax increase will lead to economic growth, but that is only true for highway contractors. Any gains for highway contractors come at the expense of other economic activity that would have occurred if the tax was not first extracted from the economy. Further, in addition to higher taxes, citizens would pay higher prices for food and everything else delivered by trucks.

The Kansas gas tax is already 7 cents per gallon higher than Missouri and Oklahoma, so increasing the tax will only provide more incentive for citizens to avoid the increase.

Finally, most citizens are not in favor of a gas tax increase. Only 20 percent of Kansans favored an 11 cent increase in a February market research study conducted by SurveyUSA on behalf of Kansas Policy Institute and it's highly unlikely that the majority of citizens would now approve this one.

Q3: Raise the gasoline tax by at least 11 cents per gallon to make more money available for highway construction.								
501 Registered Voters	All	Region				Ideology		
Credibility Interval: ± 4.5 pct points		Western Kansas	Wichita Area	Kansas City Area	Eastern Kansas	Conserv	Mod.	Liberal
Support	20%	21%	18%	18%	22%	19%	21%	25%
Oppose	59%	57%	59%	56%	63%	60%	63%	46%
Not Sure	21%	22%	24%	26%	15%	21%	16%	29%

We oppose SB 224 and encourage the Committee to reject it.