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House of Representatives

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Kristey S. Williams  
Representative, 77th District

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To Chairman Tyson and members of the Senate Tax Committee:

I am writing in support of HB 2384 as amended on the House floor. This bill includes the elimination of eight sales tax exemptions totaling more than \$58 million. It has been the effort of House leadership and the House Taxation Committee to examine sales tax exemptions in an effort to chip away at the \$6 billion in sales tax exemptions that continue to expand year after year. In addition, it is the collective goal of a growing body of House members to broaden our tax base and lower the rate. The best way to do this, at least in part, is to eliminate exemptions on a case-by-case basis.

The eight exemptions that are included in the bill are towing, detective services, security guards and security systems, non-residential cleaning, pet care, mini storage/self-storage, and collection agencies. After additional meetings with the KDOR, the revenue estimates have been revised downward on two items within the list: non-residential cleaning and collections. All eight items within the amendment have been carefully vetted regarding realistic revenue projections, implementation, and challenges/obstacles. Solutions, policies relating to implementation, and elimination of any areas that are cause for unrealistic complications or which do not meet the end objectives were reviewed and eliminated, along with the appropriate solutions added, from and into the recommended plan.

The new recommendation includes all eight components of the amendment with a reduction in revenue offering an ending balance of \$40,841,582 as well as a list of eleven additional exemptions totaling over \$125,000,000 in revenue. Any combination of the offered list of exemptions could be utilized to create a comprehensive tax plan allowing for a reduced increase to the overall final income tax percentages for individual filers. In addition, the bill allows for 1% reduction in food sales tax in 2020, thus allowing for the immediate use of the incoming revenue to fund necessary gaps in our existing budget. The list, as described in the hearing, is receiving an additional review prior to distribution. We will have the list accessible to all as soon as those final reviews have been made.

It is my hope that the Senate and the House can find common ground on \$100-\$150 million in sales tax exemptions that will broaden the base and lower the rate – either sales tax or income tax.

I look forward to working with you all, along with all of my House colleagues, to find a solution that benefits Kansans.

Respectfully,  
Representative Kristey Williams