

To: House Taxation

From: Trey Cocking, Deputy Director

Date: February 12, 2019

RE: Testimony in Opposition to HB 2011

Good Afternoon Mr. Chairman and thank you for allowing the League of Kansas Municipalities to testify in opposition to HB 2011. Our Kansas cities that host Kansas universities and community colleges depend on sales tax dollars that are generated from the sale of text books to provide municipal services (police, fire, streets, and other important services) to serve those universities and colleges.

In most cases, universities and colleges are synonymous with the cities that host them; however, they present a challenge for cities to provide municipal services since most of the university or college is exempt from property taxation. It is important that cities can collect sales tax on transactions involving the college students, so that they can provide those critical services to those same students.

In addition, HB 2011 represents a narrowing of the sales tax base. Our stated position from our *Statement of Municipal Policy* is given the current and future budget challenges facing state and local governments, we oppose the continued erosion of the state and local sales tax base by the passage of new exemptions.

On behalf of the cities of Kansas, we thank you for the opportunity to appear before the committee today. We do not believe that this bill should be sent to entire House for its consideration.