



Testimony in Support of SB22
Mr. Daniel Murray
Kansas State Director, National Federation of Independent Business

House Taxation Committee
February 19, 2019

Chairman and members of the committee, I am pleased to submit written testimony in strong support of SB22 on behalf of NFIB Kansas. NFIB Kansas is the leading small business organization in Kansas representing small and independent businesses. A non-profit, nonpartisan organization founded in 1943, NFIB Kansas represents the consensus views of its over 4,400 members in Kansas.

Senate Bill 22 will ensure that Kansas individuals and businesses will not realize an unexpected and unfair tax increase when they file their taxes this year. As you know, the bill will “decouple” state codes with changes made to the federal code via the federal Tax Cuts and Jobs Act. Along with the provisions related to repatriation and GILTI, the bill would allow Kansas taxpayers to itemize deductions on their state returns when using the standard deduction on their federal returns. With the overwhelming majority of small business owners filing at the individual level, the flexibility to itemize is critical to the profitability and viability of small businesses.

The reforms contained in SB22 are key for Kansas taxpayers to protect them against unintended and unexpected increases in their state taxes. The passage of the federal tax cuts has contributed to historically high small business optimism. The failure of the Kansas legislature to appropriately respond to the inconsistencies generated by the passage of positive tax reform at the federal level will certainly dampen this optimism in Kansas. Kansas can't afford that.

Finally, we would implore this committee and the legislature to consider the following: With the passage of the federal Tax Cuts and Jobs Act, the Kansas Legislature effectively found a wallet on the ground. The wallet contained a large sum of money that belongs to someone else. Our question to you is will you improperly and unethically take that money, or will you return the wallet to its rightful owner? We think you know the answer. The right and honorable thing to do—the Kansas thing to do—is to return the wallet and its contents to the hundreds of thousands of unsuspecting Kansas taxpayers.

Thank you for your consideration of our comments, and we strongly urge you to vote SB22 favorably for passage.