

SB 178 and HB 2134

April 3, 2019

To: House Taxation Committee
Representative Steven Johnson, Chair

From: James P. Rankin for
Midland Care Connection, Inc.

Chairperson Johnson and Members of the Committee,

I am here to provide any additional comments on behalf of Midland Care Connection you or any of your members may wish me to make and to ask for your support for the request included in SB 178 and HB 2134 for a sales tax exemption for Midland related to the purchase of tangible personal property and services.

You have heard testimony on this measure from my client's CEO, Karren Weichart, so I won't repeat any of that except to say that Midland is a unique, nonprofit integrated community care organization providing multiple programs, focused on care to the aging and indigent population. The services include hospice, inpatient care, adult day care, home health and home support services, home delivered meals to low income seniors, limited housing, and clinic and rehabilitative services as a PACE (program of all- inclusive care for the elderly). An exemption from sales tax for Midland Care Connection, Inc., should not be considered a reduction in revenue to the state (the fiscal note is only ~ \$275,000) but rather an investment in care for some of our most vulnerable Kansas.

SB 178 was amended on the Senate floor to add a "paygo" provision which we did not request. Nevertheless, SB 178 does contain a provision requiring, after January 1, 2020, repeal of extant sales tax exemptions if a new exemption is to be added to the tax code. We understand the policy concerns motivating the floor amendments but again, we did not request the change and there may be alternatives to a paygo measure which are more workable and self-executing.

Thank you again for the opportunity to present today. I'll be happy to stand for any questions.