



April 3, 2019

TO: Steven Johnson, Chair and
Members of the House Taxation Committee

FR: Matt Fletcher, Executive Director, InterHab

RE: SB 178 – Sales Tax Exemptions for Non-Profit Entities

Chairman Johnson and members of the committee, thank you for the opportunity to speak in opposition of SB 178 in its amended form, which seeks to remove existing non-profit entities that receive sale tax exemptions if the legislature wishes to provide the exemption to new entities. The amended version of the bill will serve to unnecessarily restrict the ability of additional worthy non-profit organizations to receive needed relief. It will also set up a “Sophie’s choice” for legislators in choosing which non-profit entities they believe are more deserving to receive an exemption, thus turning the consideration process into a sort of chaotic popularity contest.

The members of InterHab provide services to Kansans with intellectual and developmental disabilities (I/DD). InterHab’s members provide these services in every region of the state. The vast majority of our members are non-profit organizations. Some have already received a sales tax exemption, while others have not. In considering the mechanics of SB 178 in its amended form, I honestly cannot fathom how the legislature intends to determine which of our members are more deserving, and which should be stripped, of an exemption.

We understand that frustration exists with the process for allowing sales tax exemptions. The legislature would be well-served to study the issue further to determine if the process should be revised. However, the approach contained within SB 178 is fraught with unintended consequences for legislators and non-profit entities alike.

Non-profit entities, such as the member organizations of InterHab, provide valuable and needed services in your community. These organizations help our most vulnerable Kansans, and they do it with a minimum of funding. The sales tax exemption provides needed fiscal relief and should not be unnecessarily restricted for those entities that do not already have one.

We urge your opposition of SB 178 in its amended form.