



KANSAS
ASSOCIATION OF
COUNTIES

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Testimony of the Kansas Association of Counties to the
House Committee on Taxation
Neutral Testimony on HB 2537 • February 10, 2020

Mr. Chairman and Members of the Committee:

Thank you for allowing the Kansas Association of Counties to offer testimony on HB 2537, which would expand the definition of “retailer” in Kansas to include out of state sellers, provided they make sales in excess of \$100,000.

Part of taxation is fairness. Under current law, an out of state seller on the internet is treated to a different taxation structure than our main street businesses. This type of inequity hurts Kansas businesses, who are required to collect tax, as well as taxing entities, which are denied those tax revenues when they would otherwise be taxed.

Allowing for remote sellers that make less than \$100,000 in gross sales in the state a safe harbor allows Kansas to fall in line with the *Wayfair* decision, while receiving the proper amount of sales tax from larger sellers. There are, however, smaller sellers that currently do remit those taxes. Under HB 2537, they would no longer do so. As a result, Kansas may lose some revenue under HB 2537. This concern gives KAC pause in being able to fully support this measure, though KAC is fully supportive of requiring out of state retailers to remit sales tax just as our main street businesses in Kansas are required to do so.

Thank you for your time and consideration.

Respectfully,

Jay Hall
Kansas Association of Counties

