



11934 West 119th St \* Overland Park, KS 66213 \* 913-317-1300

March 11, 2020

Dear Mr. Chair and Committee Members:

I'm writing to express concerns with House Bill No. 2727 and its impact to the beauty services industry. I've owned and operated a barbershop in Olathe, Kansas for 23 years. It is my belief that shops and salons will take a direct hit to their bottom line if this new sales tax burden is imposed. Personal care services such as those provided by barbers and salon owners shouldn't be charged retail sales tax. These are personal services unlike products from retail establishments. Below I've outlined concerns from both a small business owner perspective as well as the consumer.

**Negative impact on small businesses.**

Barbershop and beauty salon owners will take a direct hit to their bottom lines if clients seeking to avoid paying the additional sales tax, take their business across the state line to Missouri or other states (where there is no sales tax for this service).

This bill will disproportionately affect small businesses and people of color who must have these services as these services are often healing arts therapy.

Attracting and retaining Kansas barbers and beauticians as they will seek to work/open businesses in Missouri or other states.

Independent contractors, working in Kansas shops currently pay more in taxes than regular employees.

10-20% loss in the price of a service (tips are a big part of the business); imposed tax would mean a drastic cut in tips which lowers income.

In an effort to soften the tax burden, clients could decrease the numbers of appointments, a negative business impact.

Barbers and beauticians will be forced to move to other states to dodge the tremendous lost income; others could be forced into other careers

Higher taxes have been imposed on cigarettes, medical marijuana and alcohol to deter people from using them, this proposed sales tax will have the same impact on consumers seeking beauty services deterring them from coming in as often for a haircut or other beauty service.

Respectfully,

DeJuan Bonds, Owner