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House Committee on Taxation
Testimony in Opposition to HB 2727
By Liz Workman and Joy Wheeler
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Chairman Johnson and honorable committee members,

On behalf of the two Girl Scout councils in Kansas, serving over 24,000 girls and volunteers in our state, thank you for the opportunity to appear before you. Girl Scout councils in Kansas oppose language in HB 2727 that would condition enactment of a new sales tax exemption on the repeal or suspension of an existing sales tax exemption of equal or greater fiscal effect. Girl Scouts has the following concerns regarding this language:

- **Communities across Kansas greatly benefit from the sales tax exemption that applies to certain Girl Scout activities as well as to those of other Kansas nonprofit organizations.** Girl Scouts provides significant value to communities across the entire state. We prepare thousands of girls to succeed academically and to become the next generation of leaders. In addition to developing hard skills in areas like STEM, the outdoors, and entrepreneurship, Girl Scouts prepares girls to be workforce ready by developing key cognitive and employability skills such as critical thinking, problem solving, collaboration, challenge seeking and perseverance. From kindergarten through high school, Girl Scouts take part in community service, giving back and improving the world around them from a young age. They continue to do so as adults, improving the companies at which they work and the communities in which they live. Rather than adding to the burden of local and state governments, Girl Scout alums lessen that burden as active, engaged citizens.

Girl Scout councils are nonprofit 501(c)(3) organizations. Because we advance a charitable mission that benefits the communities we serve, we have legitimately garnered our Kansas sales tax exemption. Girl Scouts is a valued partner of the Kansas Department of Education and the Kansas CAN School Redesign Initiative, launched in August 2017. KSDE recognizes how Girl Scouts meets the needs of today's girls and the future workforce, supporting and building on what girls learn during the school day. Girl Scout CEO Liz Workman actively serves on the KSDE's Redesign Advisory Committee.

- **The HB 2727 proposal creates significant and unnecessary uncertainty and confusion for Girl Scouts and the entire nonprofit Kansas community.** It is unclear how exemptions would be identified for repeal or how organizations with tax exemptions could defend the merits of their exemption.
- **The HB 2727 proposal represents unsubstantiated policymaking because it does not provide for any analysis to be conducted to determine the value of the exemption to be traded and fails to quantify the community benefit that sales tax exemptions provide.** If HB 2727 is enacted and permits future action for certain sales tax exemptions afforded to Girl Scouts to be repealed, we estimate that programming and services to girls could be reduced by 10 to 15%, significantly impacting our ability to serve girls across the state.
- **The language proposed is divisive and pits Girl Scouts and other current recipients of sales tax exemptions against future recipients.** Girl Scouts acknowledge and support the need to put our state on a more sustainable fiscal path, but urge you to reject language in HB 2727 that would pit current 501(c)(3) recipients of sales tax exemptions against future recipients and instead look to establish a fair and equitable review process for sales tax exemptions.