

**SB 359 Proponent Testimony – written only**  
**Sales Tax on Utilities**  
**Senate Assessment and Taxation Committee**  
**Dave Trabert – CEO**  
**February 8, 2022**



Madam Chair and Members of the Committee,

We appreciate this opportunity to provide testimony in support of SB 359, which would eliminate the state sales tax on utilities.

Tax relief is certainly needed but care must also be taken to adjust state spending. Eliminating this sales tax is estimated to cost the state about \$60 annually in lost revenue starting in FY 2024 according to the Fiscal Note. While this is a relatively small amount, there should be a commensurate spending reduction to prevent a future shift in the tax to balance the budget. Current spending levels were predicated on this revenue source continuing, and while there is a surplus today, spending reductions or tax increases will soon be necessary.

Our new Responsible Kansas Budget report provides a framework for carefully spending the state's current surplus.<sup>1</sup>

We encourage the Committee to recommend SB 359 for passage and we thank you for your consideration.

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<sup>1</sup> Responsible Kansas Budget, Ganon Evans and Vance Ginn, Kansas Policy Institute and Texas Public Policy Foundation, <https://kansaspolicy.org/a-responsible-kansas-budget/>