

Re: Johnson County Christmas Bureau – need for sales tax exemption

What is the Johnson County Christmas Bureau? It began over 50 years ago as a drive to collect and distribute Christmas gifts to poor parents so their children would have gifts like others. Today it is supported by grants, service clubs, individual donors and 3000 volunteers, merchants, corporations, and many foundations. It partners with agencies and NGOs to meet other needs of the poor in this community after Thanksgiving at the beginning of December. JCCB is a United Way agency and receives grants and donations from other NGOs as well. (See the Mission Statement attached).

As further described in several attachments the Christmas Bureau assists nearly 12,000 Johnson County neighbors every year with food, winter coats, children/teen clothing, toys and other holiday gift items for children and adults, personal care items, laundry detergent, other similar items. The clients are vetted as to real need and income qualifications by government or private charitable agencies serving the clients in Kansas counties that serve as partners of JCCB.

JCCB serves working poor, veterans, unemployed, permanently disabled, single moms, victims fleeing domestic violence, and many others. Many of the Christmas Bureau clients must choose between purchasing food or fixing the furnace, taking a child to the doctor or repairs to the car so they can go to work, and other heartbreaking choices. Over 31,000 people in Johnson County live in these conditions.

It was formed and operates as a Kansas public charity under the most restrictive Internal Revenue Code provisions and IRS rules and guidelines (Its federal tax exemption 501c3 letter is attached). It also meets the public support test of IRC section 170 (b)(1)(A)(6) and files regular 990 reports. In short, it is 100 % supported by grants, donations of cash, new and lightly used clothing, net proceeds from a community auction and new goods and supplies donated by merchants and corporations.

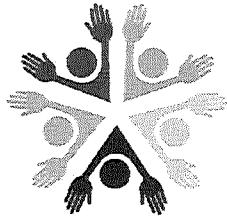
But it also must use cash donations to purchase some new items to fill in necessary gaps in those items not donated. Thus, it pays at least \$11,000 in Kansas sales tax. (See the fiscal note for SB 311 attached). The money spent on Kansas sales tax could be used to purchase more merchandise to distribute to its clients. It continues to reduce what JCCB can provide this year.

As you likely know, even though an organization that has recognition from the IRS as a 501 (c)(3) and meets the public support test, it does not have automatic exemption from state sales tax. As you and your staff will see from the attached IRS letter, the organization carries out its mission with low administrative expense and only the smallest necessary carryover of unexpended funds.

Although an exemption may have been claimed under other sections of KSA 79-3606 by going through the KDOR process, there is insufficient time left before purchases must commence to go through that process, and any expense incurred for assistance in doing this is likely a prohibited purpose for the expenditure of donated funds for this charity. No doubt many other charities just give up.

Sincerely and respectfully yours,

Robert (Bob) Vancrum, a volunteer for JCCB.

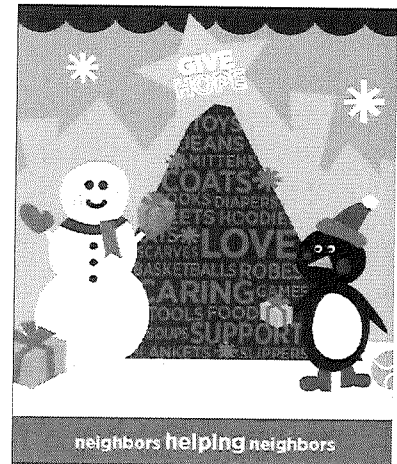


JOHNSON COUNTY CHRISTMAS BUREAU

MISSION STATEMENT

The mission of the Johnson County Christmas Bureau (JCCB) is to:

- Provide warmth and support, during the winter holiday season, to low-income Johnson County, Kansas families;
- Increase awareness and understanding of poverty in Johnson County, Kansas; and
- Give neighbors an outlet to help neighbors.



FULLILLMENT OF THE MISSION

PROVIDE WARMTH & SUPPORT: We provide warmth and support by running two programs on an annual basis: 1. Holiday Shop; and 2. Nursing Home.

HOLIDAY SHOP: At the Holiday Shop, held each December, our low-income neighbors can obtain groceries, children's clothing, winter coats, personal care items, books, holiday gifts, hats, gloves, scarves and other items. Each client is given the dignity of choosing their own merchandise. The neighbors we help at the Holiday Shop have a household income below 150% of the federal poverty level and reside in Johnson County Kansas. The Holiday Shop is similar to a department store except there is no charge for selecting merchandise.

NURSING HOME: The Nursing Home program distributes needed products to nursing home residents who are on Medicaid and live in Johnson County, Kansas. Products include items such as lap blankets, sweaters, quilts, bags to attach to walkers and more. The nursing homes pick up the merchandise in late November and distribute the merchandise to their residents.

AWARENESS OF POVERTY: Each client is assisted by a volunteer on a one to one basis. The volunteers get to know the clients as people and not just statistics. The volunteers gain an increased awareness of poverty in Johnson County and make personal connections to our low-income neighbors. Additionally, we make presentations on a regular basis at which we talk about poverty in Johnson County, Kansas.

OUTLET TO HELP: JCCB is a grassroots, volunteer driven charity. Service by our volunteers helps the families we serve. JCCB has over 3,000 volunteers during the winter season and over 150 serve year-round. Volunteers fundraise, purchase merchandise, inventory and sort merchandise, set up and operate the Holiday Shop, organize two major fundraisers and perform many other functions.

JCCB provides services to low-income Johnson County neighbors without regard to religion, gender identity, race or ethnicity.

Providing Warmth and Support for over 55 years

PO Box 14786 • Shawnee Mission, KS 66285-4786 • 913-341-4342 • admin@jccb.org

www.jccb.org



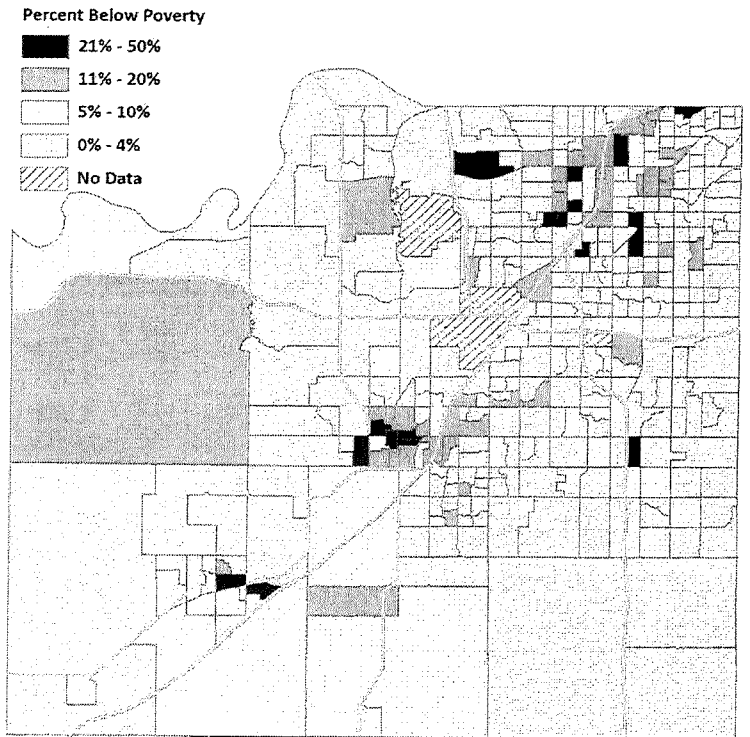
United Way



**Poverty in Johnson County Cities:
5-Year Census Estimates**

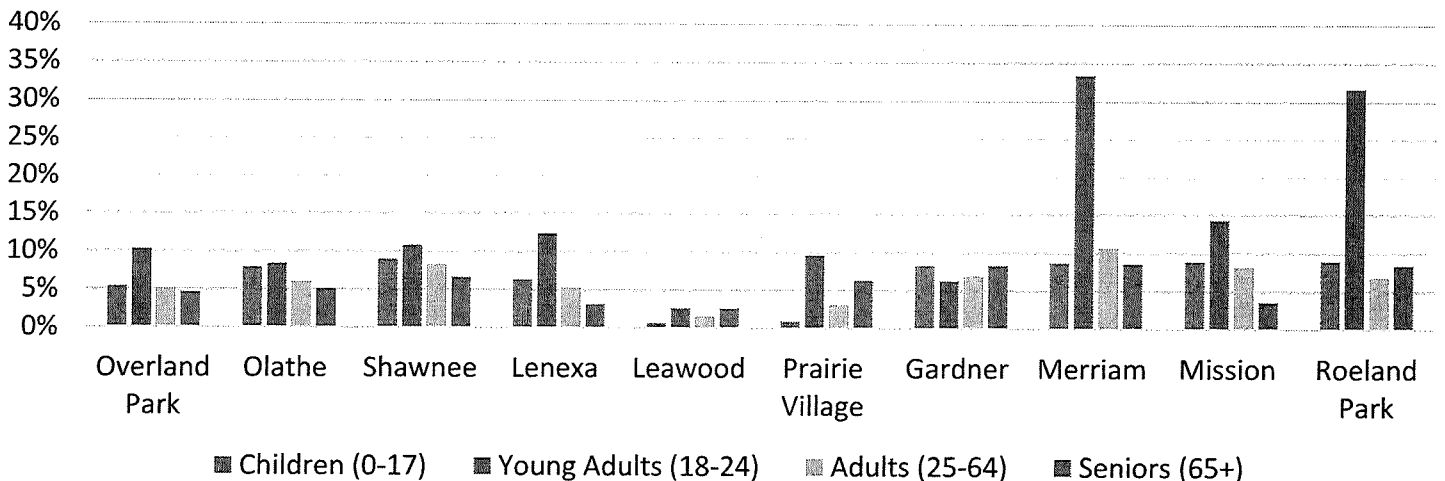
More than 31,500 Johnson County residents, or 5.4% of the population, lived below the federal poverty level, according to the most recent 5-year estimates from the U.S. Census Bureau (2015-2019). In 2019 the federal poverty level was \$12,490 for an individual and \$21,330 for a family of three. Approximately 80,700 residents (including the 31,500 living below the poverty level) lives at or below 200% of the poverty level, earning just enough to avoid the technical definition of poverty.

UCS uses 5-year estimates to track poverty in local cities, because the Census Bureau provides only 5-year estimates (rather than 1-year estimates) for jurisdictions with fewer than 65,000 people. Tracking 5-year poverty rates provides essential information to help understand poverty trends and to support interventions that address challenges related to poverty in our community.



While poverty can be found throughout Johnson County, mapping analysis conducted by Johnson County Department of Health and Environment (JCDHE) indicates that poverty is greater in certain geographic locations. Census tracts with relatively higher poverty rates are in the Northeast suburbs, the county seat of Olathe, urban communities along the I-35 corridor, and the rural areas of Gardner and De Soto. Poverty at the city level varies by age group. In almost all of the larger cities in Johnson County, the poverty rate for young adults (also known as transitional-age youth age 18-24) is higher than that of any other age group, a trend that has remained steady since 2013.

**POVERTY RATE BY AGE GROUP
10 LARGEST CITIES**



Individuals and families in poverty do not have enough income to meet the cost of living. Households experiencing poverty have limited resources with which to choose safe and attainable housing, healthy food, reliable transportation, health care services and other necessities. Poverty is one of the most prevalent social determinants of health and has implications for where, how, and how long a person lives. Johnson County cities have an important role to play in leading around these key issues to reduce the negative impacts of poverty and improve the quality of life for residents.

2019 Federal Poverty Guidelines
Adjusted annually by family size

- 1 person: \$12,490 per year
- 2 persons: \$16,910 per year
- 3 persons: \$21,330 per year
- 4 persons: \$25,750 per year

Add \$4,420 for each additional person

| POPULATION AND POVERTY IN JOHNSON COUNTY | | | |
|---|-------------------------|----------------|---------------------|
| CITIES AND TOWNSHIPS | | | |
| | <i>Total Population</i> | <i>Poverty</i> | <i>Poverty Rate</i> |
| Cities | | | |
| De Soto | 6,211 | 418 | 6.7% |
| Edgerton | 1,705 | 71 | 4.2% |
| Fairway | 3,946 | 85 | 2.2% |
| Gardner | 21,253 | 1,423 | 6.7% |
| Lake Quivira | 920 | 34 | 3.4% |
| Leawood | 34,568 | 480 | 1.4% |
| Lenexa | 53,518 | 2,773 | 5.2% |
| Merriam | 11,042 | 1,223 | 11.1% |
| Mission | 9,476 | 749 | 7.9% |
| Mission Hills | 3,574 | 17 | .5% |
| Mission Woods | 186 | 3 | 1.6% |
| Olathe | 135,701 | 7,914 | 5.8% |
| Overland Park | 189,611 | 9,244 | 4.9% |
| Prairie Village | 22,052 | 733 | 3.3% |
| Roeland Park | 6,769 | 631 | 9.3% |
| Shawnee | 65,000 | 4,779 | 7.4% |
| Spring Hill | 6,582 | 554 | 8.4% |
| Westwood | 1,657 | 80 | 4.8% |
| Westwood Hills | 463 | 7 | 1.5% |
| Townships | | | |
| Aubry township | 4,463 | 33 | 7% |
| Gardner township | 2,230 | 103 | 4.6% |
| Lexington township | 1,402 | 63 | 4.4% |
| McCamish township | 1,075 | 30 | 2.8% |
| Olathe township | 1,002 | 0 | 0% |
| Oxford township | 1,830 | 61 | 3.3% |
| Spring Hill township | 2,228 | 126 | 5.7% |
| Total | 588,464 | 31,634 | 5.4% |

Sources: U.S. Census Bureau, American Community Survey 5-year estimates 2015-2019, U.S. Department of Health and Human Services, 2019; **About the data:** The data are based on survey data. Because surveys cover only a limited sample of individuals or households – rather than the entire population – estimates calculated from survey data are subject to uncertainty due to sampling error. Estimates for low-population cities should be interpreted with caution, as they may be subject to significant uncertainty. The data represented in the map show poverty at the census tract level.

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