



# Economic Lifelines

*Stimulating Economic Vitality  
Through Leadership in Infrastructure Development*

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**TO:** Senate Committee on Assessment and Taxation  
**FROM:** Travis Lowe  
Economic Lifelines  
**RE:** Opposition of SCR 1620  
**DATE:** March 10, 2022

Madam Chair and members of the committee,  
On behalf of Economic Lifelines, thank you for the opportunity to present remarks on SCR 1620.

Economic Lifelines serves as a state-wide coalition supporting Kansas transportation and infrastructure policy. Economic Lifelines is proud to represent over 60 members, consisting of private businesses, trade associations, local units of government and local chambers of commerce located in Kansas.

In general, it is not the intention of Economic Lifelines to weigh in on general tax policy unless it pertains to specific tax mechanisms that directly fund transportation infrastructure. On this same token, members of the committee may recall that Economic Lifelines provided remarks earlier this session on legislation related to food sales tax. Our comments today follow this same guidance.

Related to transportation, a portion of the motor fuel tax (24 cents on gas, 26 cents on diesel) is a constitutionally projected funding source that goes directly to the State Highway Fund. Admittedly, this rate has gradually increased since its first enactment in 1925. Limitations proposed in SCR 1620 would make it unlikely to adjust this rate, if necessary.

Legislative committees under the dome commonly discuss the evolving vehicle fleet with reliance on motor fuel tax and what this means for the future of transportation funding. The Kansas Department of Transportation is leading the Midwest region with a road usage study to better understand possibilities for a state like Kansas with rural roads. It is difficult to predict this study's recommendations, or other trends that should be considered throughout the next two decades, but Economic Lifelines believes the Legislature needs to be able to adjust transportation funding streams as necessary.

Another large component of funding for the State Highway Fund is derived from the 16.15% of the total state sales tax. As previously discussed during the food sales tax hearings, we are delighted to see support from members of the Senate and the House that want to hold the State Highway Fund harmless. Because of other demands on the state budget, adjustments may be necessary in the future.

As always, Economic Lifelines is happy to work with the committee with any questions as it relates to revenue for the State Highway Fund. Thank you for the opportunity to submit this testimony.