



February 15, 2023

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Kansas Action for Children
Verbal Testimony in Opposition to HB 2061
House Committee on Taxation

Chairperson Smith and members of the Committee:

Thank you for the opportunity to provide testimony in opposition to HB 2061. Kansas Action for Children is a nonprofit advocacy organization working to make Kansas a place where every child has the opportunity to grow up healthy and thrive. We work across the political spectrum to improve the lives of Kansas children through bipartisan advocacy, partnership, and information-sharing on key issues, including early learning and education, health, and economic security for families.

We oppose HB 2061 because this is another bill that makes changes to corporate income tax that would make the tax code even more upside down in favor of non-Kansas residents.

Of the nearly \$200 million corporate tax change component of the \$1.5 billion proposal, an overwhelming majority (80.6 percent) of those dollars will go to the top 20 percent of filers. Furthermore, 81.2 percent of those dollars will go to non-Kansas residents. **Non-Kansans will receive tax breaks, while removing substantial revenue to make investments in our schools, roads, and public health and safety that build a strong Kansas economy.**

Further, we oppose this bill because it is yet another proposal that helps mostly large corporations doing business in Kansas limit their state tax liability. Previous Kansas legislatures provided corporate tax breaks through GILTI legislation, as well as last year's APEX legislation, which will reduce the corporate tax rate with each deal made. This includes the Panasonic deal (where the half-percent tax cut will begin July 2023), as well as with the recent announcement of the Integra deal (where an additional half-percent tax cut would begin July 2024).

Lawmakers must champion tax reform that strengthens Kansas' ability to invest in the future, especially with the looming possibility of a recession. A flat tax will limit the state's ability to provide crucial programs and services. It equates to yet another tax break for primarily non-Kansas residents while too many Kansas kids' and families' needs for education, health care, and child care continue to suffer from underinvestment. Thank you for the opportunity to share information with you today. Feel free to reach me if you have any questions at emily@kac.org.