



February 7, 2023

Madame Chair and Members of the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our nearly 1,500, thank you for the opportunity to provide testimony in support of S.B. 33, AN ACT concerning income taxation; relating to Kansas adjusted gross income; eliminating the income limitation to receive the subtraction modification exempting social security benefits

Under current law, taxpayers filing as single, head of household, married filing separate, or married filing jointly are allowed to subtract the full amount of Social Security benefits from federal adjusted gross income for Kansas income tax purposes, if the taxpayer has income of \$75,000 or less. SB 33 would remove the income limitation allowing all Social Security benefits to be exempt from Kansas income taxes beginning in tax year 2023.

The Chamber strongly supports this legislation. We would note that only 12 states tax social security income and that number will soon be 11 as Colorado is joining the list of states that do not tax social security income. This makes Kansas extremely uncompetitive and unattractive as a state for retired people.

Many retired individuals and couples have successfully accumulated wealth during their working years. While they may no longer be working or working full-time, they remain consumers and significant contributors to their state's economies. Kansas should be smart and adopt policies that attract this wealth and consumption to our state. While the fiscal note shows a cost to the of approximately \$147M per year, that does not account for the dollars it would capture in other of taxes based upon the economic activity created by the money that would be injected into our economy.

Thank you for your consideration and we urge the Committee to report S.B. 33 favorable for passage. I am happy to stand for questions at the appropriate time.

Very truly yours,

Jason P. Watkins