



**Senate Committee on Assessment and Taxation
Testimony in Support of House Bill 2465- SALT Parity Act
Presented by Eric Stafford, Vice President of Government Affairs**

Monday, February 19, 2024

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to submit testimony in support of House Bill 2465, which amends the SALT Parity statutes passed by the legislature in 2022.

HB 2465 was introduced by the Kansas Society of CPA's after the department of revenue issued what is perceived to be improper guidance from legislation in 2022 on the SALT parity act. The legislature passed a bill to address the discrepancy in the State and Local Tax (SALT) deduction where small businesses cannot fully deduct their taxes like C-corps due to small businesses filing through an individual's tax return. The SALT cap for individuals is \$10,000, while C-Corps do not have a cap on their deduction.

The CPA's have outlined several inconsistencies of interpretation and those have been expressed to the department of revenue and it's our understanding those issues have been worked out through negotiations. HB 2465 provides changes to clarify the tax liability for owners of pass through entities.

Thank you for the opportunity to submit testimony in support of House Bill 2465 and I'm happy to answer pass-through the appropriate time.