

March 12, 2024

To: Kansas Senate Assessment and Taxation Committee
From: Americans for Tax Reform
Re: **Support A Single-Rate Income Tax**

Good morning, Madam Chair and Members of the Committee. Thank you for the opportunity to testify today. I join you today in support of Senate Bill 539, and any version of this bill that helps move Kansas to a single rate income tax.

My name is Grover Norquist and I am president of Americans for Tax Reform, a national taxpayer advocacy group I founded in 1986 at the request of Ronald Reagan. We support legislation at the national and state level to enact tax regimes that are simpler, lower, more transparent, and easier to understand.

The package before you today, like HB 2284 and SB 169 before it, is responsible, not reckless. With \$3 billion and counting sitting in the rainy-day fund, it's time for Kansas to act on reducing and streamlining the income tax code.

Right now, there are 21 states that have a single rate income tax – 7 of which have a flat rate of zero – and Kansas is just one of many other states that are moving towards their own version of a single rate.

Mississippi, Georgia, Arizona, and Idaho have all moved to a single rate income tax over the last two years. Our friends in North Dakota and Ohio have also started along that path, recently moving to two rates on their way to one.

Looking at the states closer to Kansas, Iowa started at a top rate of 8.99 just a few short years ago. Today, they're tied with Kansas at 5.7%, but will quickly move to a single rate tax of 3.99% by 2026. Nebraska, although higher than Kansas now, has enacted legislation to phase their 5.84% rate down to 3.99% by 2027.

Colorado, also nearby, is a single rate tax state too. Colorado boasts a 4.4% income tax rate now, and that rate continues to ratchet down over time, thanks to a model constitutional spending limit known as the Taxpayer's Bill of Rights (TABOR).

Illinois – a state that surprises many as having its own single rate tax of under 5% – is an example of how even blue states find it difficult to abandon such taxes once they are enshrined into law. In 2020, Illinois rejected a ballot measure that would have moved their state to a progressive, graduated income tax. Despite Governor J.B. Pritzker spending \$50 million to promote that initiative, Illinois voters chose instead to uphold their cherished flat rate of 4.95%, in an election where those same voters elected Joe Biden by a 16-point margin.

Single rate taxes make it easier for residents to understand what their taxes actually are, and to know how future legislation might affect their families' finances. Once a state moves to just one income tax rate, politicians must agree to raise everyone's taxes in order to pay for their new idea. On the other hand, they can reduce everyone's taxes in a simple and transparent manner in times when the government has been a good steward of their money. Single rate taxes force honesty and transparency on the part of politicians, while providing simplicity and fairness to families and businesses who pay those taxes.

I commend Senate President Ty Masterson, Speaker Dan Hawkins, Majority Leader Chris Croft, Chairwoman Tyson, and so many others for their tireless efforts over the years to keep spending in

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check and make Kansas the next single-rate tax state. Kansas is in good company with her peers around the country. Thanks to the work you and your peers have put in to making this type of legislation a reality, I am hopeful that Kansas taxpayers will soon see major tax relief that will benefit families, small businesses, and the economy as a whole for years to come.

I urge you to support Senate Bill 539 and any other legislation that may come forward to lower, streamline, and simplify your state's income tax rates.

Sincerely,



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President
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