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Senate Ways & Means Committee
Proponent Testimony for SB 309

Chair Billinger, Vice Chair Claeys, Ranking Member Pettey and fellow members of the committee:

Thank you for the opportunity to provide testimony in support of SB 309, a simple bill meant to alleviate revenue shortfalls that would be created by the implementation of SB 248 or any other bill that resulted in a loss of revenue for cities and counties. It also establishes a separate fund to help local communities meet extraordinary needs, such as a fire station, that typical revenue may not allow for.

The purpose of the Kansans FIRST fund is found in the acronym of its title – it would protect taxpayers from a property tax increase by fixing the instant revenue shock experienced by local governments when the state decides, as we often do, that we’re going to exempt items from sales taxes.

It’s important to remember that the state legislature has always decided what items are taxed and what items are not. While the legislature has, over time, exempted many items from sales taxes, the decision to “ax the tax” on food has created confusion due to the campaign rhetoric which implied that the tax on food would go away. Kansans rightfully think that “axing a tax” means just that – that food will not be taxed – and they will be disappointed when they learn that their food is still taxed at 3, 4, or even 5%, depending on where they live.

SB 248 keeps that promise to ax the tax by taking food to true zero. SB 309 is a companion bill that will help fill the gap of lost revenue by cities and counties who certify that they are complying with the Truth in Taxation law. They will be made whole in the bill.

We also recognize that from time to time, a local community has a true need – something along the lines of a fire station or something the local city or county must have, but where decisions to acquire that need are delayed indefinitely due to the lack of funds. SB 309 creates a process for meeting those needs.