



March 13, 2019

RE: SENATE BILL No. 219 – Session of 2019

To Whom it may Concern,

Scrap Management LLC dba as Rivers Edge Scrap Management in Kansas City, Kansas is opposed to SB 219 on assessing an excise tax on scrap metal.

We disagree with the proposed excise tax for the following reasons:

- Our location in Kansas City, Kansas is located within 10 minutes of another Scrap Yard in the State of Missouri that doesn't impose an excise tax on scrap metal. Pricing for our clients is based on market values and pennies count to the businesses and individual customers we serve. Adding an unnecessary tax to scrap metal will drive customers across the state line.
- We will incur additional expenses for purchasing new software and training our employees that adds further burden to a small business owner that works with tight margins.

In summary, the excise tax will create an excessive record keeping and reporting burden on our employees and tax consultants. If the senate moves forward with SB 219 in assessing an excise tax, the additional estimated tax revenue generated from the new excise tax will be more than offset by the reduction in the income tax revenue.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Kates", written over a horizontal line.

Tim Kates  
Owner