



Testimony in Support of Senate Bill 359
Mr. Daniel Murray
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Senate Committee on Assessment and Taxation
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Chairwoman and members of the committee, I am pleased to testify on behalf of NFIB Kansas in strong support of this bill which would provide much needed tax relief for small business owners. NFIB Kansas is the leading small business organization in Kansas representing small and independent businesses. A non-profit, nonpartisan organization founded in 1943, NFIB Kansas represents the consensus views of its nearly 4,000 members in Kansas.

Senate Bill 359 would eliminate the state sales tax on most utilities that small business owners pay bringing parity with the residential sector. Tax related costs and compliance have historically created immense anxiety for small business owners. And right now, small businesses are managing challenges including labor shortages, rising inflation, supply chain disruptions, and COVID-19 variants. This bill would lower tax costs and compliance on businesses still struggling to recover from the pandemic and government-forced shutdowns.

In our most recent *Small Business Problems and Priorities*, NFIB confirmed that taxes continue to be a significant problem for small businesses. The study found that **tax rates and tax complexity are four of the top ten problems confronting small businesses**. Additionally, the same study found **that energy costs continue to be a significant problem for small business owners**. Out of 75 problems surveyed, small business owners ranked “Electricity Costs/Rates” as the 16th problem of importance and “Cost of Natural Gas, Propane, etc” as their 19th biggest concern.¹ Eliminating the sales tax on utilities will address both tax challenges and energy costs that small business owners tell us are major problems hindering recovery and growth.

Thank you for the opportunity to provide comments today and we urge you to pass out SB359 favorably.

¹ NFIB Small Business Problems & Priorities, 2020 10th Edition: [NFIB-Problems-and-Priorities-2020.pdf](#)