

Chair Smith and Members of the Committee,

We appreciate this opportunity to submit written opponent testimony for SB 91, which provides a tax credit, sales tax exemption, and loans and grants to incentivize film. We hold the following position on SB 91:

1. SB 91 sales tax exemption violates the purpose of sales tax exemptions
2. SB 91 promotes the wasteful tendency of government picking winners and losers

SB 91 sales tax exemption violates the purpose of sales tax exemptions

If a legislative body passes a law, there shouldn't be any exceptions to that law without some compelling reason. SB 91 has no compelling reason. SB 91 benefits select Kansas taxpayers at the expense of everyone else. The hyper-targeting of this sales tax exemption is particularly troublesome. Sales tax exemptions are designed to avoid tax pyramiding; taxes on sales not to the final customer. SB 91 removes the sales tax to the final customer of a film service provider. SB 91 is not good tax policy.

SB 91 promotes the wasteful tendency of government picking winners and losers

If a legislative body passes a law, there shouldn't be any exceptions to that law without some compelling reason. SB 91 has no compelling reason. SB 91 benefits select Kansas taxpayers at the expense of everyone else. The hyper-targeting of this credit is particularly troublesome. Tax credits are designed with the possibility they are available to anyone. SB 91 is limited to those who have film related expenditures. SB 91 is not good tax policy.

For these reasons, we urge the committee to reject SB 91 in its current form.