



**Senate Committee on Assessment and Taxation
Testimony in Support of House Bill 2106
Presented by Eric Stafford, Vice President of Government Affairs**

Tuesday, March 21, 2023

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to provide testimony in support of House Bills 2106, which would equalize tax treatment for telecommunications services machinery and equipment by providing a sales tax exemption on such equipment.

As the legislature considers improvements to our tax code in 2023, addressing retiree income is essential to our workforce issues facing the state. The map below outlines the significant decline in working-age population expected through 2029. We must ensure that retirees do not face an overly burdensome tax climate that encourages them to walk their money to another state.

Kansas currently offers a sales tax exemption on manufacturing machinery and equipment used “as an integral or essential part of an integrated production operation by a manufacturing or processing plant or facility.”

Generally, it is sound tax policy to exempt business components from taxation as those costs are passed on to consumers. HB 2106 seeks to eliminate sales tax on components which are used to deliver telecommunications services to Kansans and would mirror the manufacturing exemption currently in place.

We appreciate the opportunity to submit testimony in support of House Bill 2106 and I’d be happy to answer questions at the appropriate time.