

**Testimony before the House Taxation Committee**  
**House Bill 2047**  
**Submitted by J. Kent Eckles, Vice President of Government Affairs**  
**Tuesday, January 29<sup>th</sup>, 2013**



The Kansas Chamber of Commerce appreciates the opportunity to present testimony in favor of HB 2047.

There is no dispute that property taxes are the most reviled among those levied by government, and they are certainly higher than they were a decade ago. However, it's important to remember property taxes are levied by counties, cities, school districts and other local taxing entities – often the same entities who ask the legislature to raise taxes from a distance so they don't have to deal with the consequences from the electorate. Relief from those taxes should be sought from elected officials at the local level who continually raise them – they should be held accountable, not you as State Legislators.

It is often asserted that reducing income or sales taxes at the State level will cause a "tax shift" or automatically lead to an increase in property taxes at the local level. First and foremost, residents and businesses pay income, property and sales taxes and when you reduce one of them at the State level, you are lowering their cumulative tax burden, not shifting it. Secondly, when the State reduces income or sales taxes and the economy responds with corresponding growth, Kansas will have more people and employers paying property and sales taxes so revenue to State and local governments from those sources will grow.

The bottom line is raising property taxes locally is a choice, just as raising or lowering rates in Topeka or Washington is a choice. It does not happen automatically. Local entities and elected officials either choose to conserve taxpayer money or to spend more. Higher local property taxes are the result of local decisions.

House Bill 2047 accomplishes the aforementioned task of holding local elected officials accountable for the ever increasing property tax burden. For far too long, local taxing entities have increased assessed valuations and thus more revenue, while also holding their mill levies steady. The result: Kansas ranks 31<sup>st</sup> nationally in property tax burden (Source: 5<sup>th</sup> Edition of Rich States, Poor States).

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*The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to do business. The Chamber represents small, medium and large employers all across Kansas.*

