



HB 2023-Repeal of Nonwage Business Tax Credit
House Taxation Committee
Written Testimony by Tim McKee
January 19, 2017

Chairman Johnson and Honorable Committee Members,

On behalf of the Olathe Chamber Board of Directors, I am writing to inform you of the Chamber's position on budget shortfalls and proposed tax increases. Members of our Business to Government (B2G) committee, which handles legislative issues for the Chamber, have met with legislators throughout the last several years to learn about both the state of the budget and possible revenue sources to fill any budget gaps. Throughout this process, we have come to appreciate the difficult problems you are charged with solving during the 2017 Session.

While we believe it is prudent to first reduce spending before tax increases are considered, we understand budget gaps cannot be filled solely by additional spending cuts; the amount is just too great. As such, we recognize the need for you to consider revenue enhancements. As you focus on finding a tax package to support, we urge you to seek a plan that is broad-based and balanced. While our Board has not voted with respect to any particular tax policy, we have consistently held the position that predictability and stability are vital to a strong business climate. To that end, we are hearing concerns from members that the pass-thru income tax exemption should be revisited on grounds of tax fairness as well as its contribution to our budget instability. Our members are supportive of the legislature reassessing our state's tax policy and making changes that fairly stimulate business activity and growth. Therefore, on behalf of the Olathe Chamber and our members, I am submitting testimony in favor of the spirit of HB 2023, which is to repeal the 2012 legislation that exempts non-wage business income from taxation.

Thank you for your time. I appreciate the difficult work and decisions you have ahead of you, and I am thankful you are willing to serve the people of Kansas. As always, if you have any questions, please feel free to contact me or our lobbyist, Natalie Bright. I look forward to our continued partnership in keeping the Olathe Community a vibrant place to live and work!

Tim McKee, CEO
Olathe Chamber of Commerce
18001 W. 106th St., Suite 160
Olathe, KS 66061-0098