

**Written Statement to
The House Taxation Committee
Supporting HB 2376
By Lyle Butler, President/CEO
Manhattan Area Chamber of Commerce
March 16, 2017**

Honorable Chair and members of the House Taxation Committee:

Kansas has had a broad-based state and local tax structure since the 1930s. A diversified revenue portfolio that does not rely too heavily on a single source allows state and local governments to better withstand economic downturns. The Governor's Tax Equity Task Force in 1995 agreed with this principle, concluding as a major tax policy objective that the state and local tax system should be balanced and diversified. This will also result in lower rates on each separate form of tax, and reduce the pressure of competition from other states that have lower rates for a particular tax. The Chamber supports a fair and balanced revenue stream consisting of a three-legged tax base: income tax, sales tax and property tax.

In 2015, K.S.A. 2014 Supp. 79-2925b was amended to require an extra step in approving any appropriation or budget for only cities and counties on or after January 1, 2018. In the case of cities and counties, any resolution approved by the governing body to increase property tax to fund any appropriation or budget, in an amount exceeding that of the next preceding year as adjusted by inflation, shall not become effective unless such resolution has been submitted to and approved by a majority of the qualified electors of the city or county voting at an election. The Chamber supports allowing all units of local government to be responsible for the mix of taxes in their own community as well as for funding of activities.

The Manhattan Area Chamber of Commerce supports the repeal or modification of the tax lid, which hampers the local governing unit from being able to quickly and efficiently work with the business community to ensure appropriate infrastructure, as well as quality of life components necessary to the successful attraction and retention of high-paying jobs in the region.