

OPPOSITION TESTIMONY, HB 2384

Presented by James R. Hanni, On behalf of the AAA Clubs of Kansas March 21, 2017 House Taxation Committee

On behalf of our 335,000 AAA members throughout Kansas, we ask your consideration of the negative impact of the proposed sales taxes in HB 2384 on automotive-related services. These taxes will increase the cost of automotive repair, maintenance and insurance and raise a variety of motorist safety concerns.

For the general public, towing and other road services are often provided in an emergency. Motorists do not seek the service, but require it in an unforeseen, mechanical breakdown. This bill would quite often take advantage of the misfortune of Kansas motorists by adding a tax to their already unfortunate situation.

Besides increasing the cost of towing services HB2384 will have a detrimental impact on safety. By expanding the sales tax, more motorists will use unsafe methods to remove their disabled vehicles from the road. This will increase the likelihood of a motorist or a passenger getting injured or killed, by using alternative means to remove a broken-down vehicle from the roadway.

Many motorists will not be able to afford the higher costs of having their vehicles repaired should this proposal be enacted, causing them to skip or postpone critical repairs, resulting in more unsafe vehicles on Kansas roadways.

The proposal would further impact motorists when it comes to paying their auto insurance. Repairs are the major component of auto insurance claims. If the Kansas legislature expands the sales tax to include these items, it will further increase claims cost and, ultimately, auto insurance rates.

We appreciate your consideration of the cost, inconvenience and the safety concerns with the provisions of this bill and urge its rejection.