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Rep. Johnson, Chairman
Members of the House Taxation Committee
March 21, 2017

Re: Opposition of HB 2384

The Olathe Chamber of Commerce has been monitoring the Kansas State budget and understands legislators are faced with making tough decisions on solutions to address the projected shortfalls. The Chamber supports a balanced approach to the budget that enables legislators to consider both careful budget cuts and judicious tax increases. However, after reviewing HB 2384, the Olathe Chamber respectfully requests you oppose it unless provisions are added to allow the service provider to retain an administrative allowance.

HB 2384 proposes to expand the sales tax on services to a group of small businesses including hairdressers, nail techs, pet care and towing providers. These service providers are often self-employed or small business owners who do not have access to or own the sophisticated software needed to administer the tax collection for the state. Without some administrative allowance, these small business owners will be left to absorb the cost of the software or forced to increase their prices by almost 10% to cover the cost associated with being the newest tax collector for the state. In addition, each will now be subject to sales tax auditing and liability from the state.

While the members of the Olathe Chamber are very supportive of budget stability and are not opposed to the necessary budget cuts and tax increases needed to do so, we are opposed to overburdening small businesses. As such, we respectfully request you oppose HB 2384 unless provisions are added to allow Kansas retailers an administrative allowance for their collection efforts. Thank you for the opportunity to submit written comments on this bill.

A handwritten signature in black ink that reads "Tim McKee". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Tim McKee, CEO, Olathe Chamber of Commerce