



**House Committee on Taxation
Hearing on House Bill 2400
Hearing Date - March 22, 2017**

**Written Testimony in Support of HB 2400 on behalf of the City of Manhattan
By Kiel Mangus, Assistant City Manager**

Good morning Chair Johnson, Vice Chair Phillips and Honorable Members of the House Committee on Taxation. My name is Kiel Mangus and I am the Assistant City Manager for Manhattan.

The City of Manhattan SUPPORTS HB 2400. The City of Manhattan supports any legislation that works toward evening the playing field between online retailers and brick-and-mortar businesses. The lack of remitting sales tax by many online retailers hurts local businesses in Kansas. Those brick-and-mortar businesses are paying proper sales tax amounts, while large companies who do not have a physical presence in Kansas, but are selling large amounts of goods to people in Kansas, pay no tax. This legislation is not a new tax, but rather an enforcement of what should already be occurring.

- It is estimated that the City of Manhattan has missed out on over \$5 million in uncollected sales tax on remote sales since 2011. With those funds, the City could have provided better services to its residents at no extra cost to the state government.
- The State of Kansas has a large budget deficit. Any efforts to further the collection of due taxes would further aid the State in addressing that shortfall, and that money in turn would also help cities and counties.
- This bill does not unfairly target small internet sellers. It requires businesses that sell over 200 transactions or have gross revenue over \$100,000 to remit sales tax whether that company has a physical location in Kansas or not. This helps even the playing field with smaller main street retailers.

For all the above reasons the City of Manhattan supports HB 2400. Thanks for your time and consideration.