

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

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TIMOTHY C. HODGE
72ND DISTRICT

Representative Tim Hodge

Testimony for HB 2616

Proponent – Written

March 12, 2018

To the respected members of the House Tax Committee,

HB 2616 reduces the sales tax on food from 6.5% to 3.25%. According to US Census data, the average household spends \$4,015 a year on groceries. By reducing this sales tax you would save the average household \$131.00. This is money that will be spent in our towns. The fiscal impact on this is estimated at \$165 million or \$50 million per .01. This sales tax cut to should be made up by enacting some version of HB 2618 which creates an additional income tax bracket for folks making \$1 million jointly or \$500k single.

Many folks have said that the sales tax is the most fair tax. I would remind them that \$131 means a lot more to someone making \$30,000 versus someone making \$500,000.

Lastly, the amounts saved by households have a much better chance of actually being spent here in Kansas vs. income tax breaks for the ultra-wealthy who make more than \$1 million per year.

T. C. Hodge
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