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**Oral Testimony in Support of SB 415 to  
The Senate Assessment and Taxation Committee  
By Josh Roe  
Kansas Department of Agriculture  
March 7, 2018**

Good afternoon Chairwoman Tyson and members of the committee, my name is Josh Roe and I am the deputy secretary at the Kansas Department of Agriculture (KDA). I am here to testify in support of SB 415. KDA is committed to assisting the Kansas State Fair (KSF) and putting more funding options on the table.

The following table is an estimate of sales tax revenues generated on the fairgrounds. Businesses that have a location both on the fairgrounds and within the city of Hutchison are not required to differentiate between sales taxes generated on or off the fairgrounds when remitting payment to the Department of Revenue; therefore, these numbers are estimates for only the duration of the fair.

When all sales taxes generated during the fair and during non-fair events are accounted for, I estimate that more than \$500,000 will be generated each year. It is also worth noting that sales taxes have grown at an average rate of 6.4 percent since 2006.

Another option is charging an additional 2 percent sales tax on all sales on the fairgrounds, which could conservatively generate an estimated \$155,000 annually and still allow the Kansas State Fair to contribute fully to state and local entities.

### 2017 KSF Sales Tax Generation

| <u>Sales Tax Source</u>         | <u>Amount</u>    | <u>Actual/Estimate</u> |
|---------------------------------|------------------|------------------------|
| Grandstand & Gate               | \$136,612        | Actual                 |
| Grandstand Merchandise          | \$3,220          | Actual                 |
| Midway/Carnival                 | \$79,838         | Estimate               |
| Food, Alcohol and Miscellaneous | \$190,508        | Estimate               |
| <b>Total</b>                    | <b>\$410,178</b> |                        |
| <i>2% Additional Tax</i>        | \$155,000        | Estimate               |

KDA realizes how important the Kansas State Fair is to the agricultural industry and the state economy, and we are fully committed to making the fair the best in the nation. Therefore, we

want to ensure that all viable options remain on the table that might otherwise be lost if this legislation were to pass as written.

Thank you for the opportunity to speak with you today. I will stand for questions at the appropriate time.