



Chairman Smith and Members of the Committee:

Thank you for the opportunity to testify today. My name is Elizabeth Patton, and I am the State Director of Americans for Prosperity-Kansas. On behalf of the thousands of AFP activists in our state, I would like to express our strong support for efforts to ensure that Kansas taxpayers receive the full benefit intended under the historic Tax Cuts and Jobs Act passed at the end of 2017. For that reason, I urge you and your colleagues in the legislature to support legislation which would make changes to our state tax code that would provide Kansans with relief from the unintended state tax hike that unfortunately went into effect.

The Tax Cuts and Jobs Act of 2017 (TCJA) enacted historic federal tax relief for Americans across the country. Families and businesses are realizing the positive impacts of more money in their pockets and will continue to see stronger economic growth over the long term. However, because of the way that the Kansas state tax code is currently structured, many in our state have actually seen an unintended state-level tax increase that has undermined the benefits of federal tax reform.

The anticipated legislation should help protect Kansas taxpayers from this unintended tax increase and ensure that the benefits of tax reform are flowing fully and directly to taxpayers. Under current law, taxpayers who opt to take the nearly doubled federal standard deduction under the TCJA are required to also take the much lower Kansas standard deduction on their state tax filing. This has left many Kansas taxpayers seeing a tax cut on their federal returns, but a tax *increase* on their state returns.

We support allowing Kansas filers to take the newer federal standard deduction but still reserve the option of itemizing their Kansas returns, reversing the unintended state level tax bump for those who have gotten relief at the federal level. We anticipate the legislation would return an estimated \$150 million to Kansas taxpayers, which would enhance, rather than undermine, the benefits of federal tax reform here in our state.

We urge lawmakers to swiftly move on legislation this session which reflects these core policy changes. This change is long overdue, and Kansans should receive the full benefits of TCJA. We ask you to consider further relief efforts in the future if revenues increase. At AFP, we support tax policy that is economically neutral and applies low rates equally across taxpayers—without reliance on carve outs and deductions that complicate tax codes and pick winners and losers in our state. I encourage lawmakers to consider offsetting any future additional revenue increases from tax reform with across-the-board rate reductions for Kansas taxpayers.

I thank you again for the opportunity to testify in support of these important concepts before this committee today and I look forward to answering any questions members may have.

Sincerely,

Elizabeth Patton

State Director, Americans for Prosperity-Kansas