

Written Only Opponent Testimony – HB2484 & HB2487

House Taxation Committee
January 25, 2022

Representative Smith, House Taxation Committee Chair, and committee members:

I'm all for minimal government, minimal government spending, and minimal government taxation. But permit me, if you will, to share some thoughts in that regard as it might concern, say, the proposals to exempt food from retail sales taxes.

Of all the broad-bases taxes - income, property, and sales, I much prefer sales tax and feel that Kansas should try to move toward taxing *consumption* and *away* from taxing income and wealth. And if we do anything to compromise the ability of the sales tax to help us move in that direction, I feel it would not be helpful.

Taxing consumption is much less painful - and fairer. It's paid in dribbles and drabs. It's a reflection of the consumer economy. And it's a heck of lot less complicated than dealing with the subjective matter of appraising property for tax purposes, or dealing with different categories of income tax rates, and all the deductions and credits that are part of the income tax system. And let's not let pundits and others get away from trying to call sales tax "regressive." It's not. The taxpayer who buys an eight-year-old vehicle for under \$8,000 is going to pay the same percentage of sales tax as the affluent taxpayer buying a new \$80,000 vehicle.

But with food purchases being such a huge part of total retail sales, I'm not sure it would be wise to eliminate tax on that category. (I do think the existing exemptions on sales tax have been carefully thought out by the legislature over the years. But with the thought in mind of moving more in the direction of consumption taxes instead of - not in addition to - income taxes, current exemptions that possibly could be looked at again would be such items as farm equipment and machinery and food stamps/WIC purchases.)

And regarding income tax, even though I'm a low-income guy, I especially don't like the idea of progressive rates with income tax; isn't it enough that the taxpayer with \$300,000 of taxable income pays 10 times as much as the taxpayer with \$30,000 of taxable income instead of also paying a higher rate?

Yes, I'm for minimal government and minimal taxation; but I don't feel anything should be done that compromises the ability of the sales tax to continue to help move us away from income tax. (And if food is exempted today, will some legislator or perhaps a Democratic governor tomorrow, suggest yet another category of goods or services that should be exempt from sales tax?)

Thanks again for your time, and for your service.

Charles Frodsham
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