



KANSAS
ASSOCIATION OF
COUNTIES

715 SW 10th Avenue • Topeka, KS 66612
785-272-2585 • www.kansascounties.org

House Taxation Committee
March 13, 2023
SB 248

Kansas Association of Counties
Opponent Testimony

Chairman Smith and members of the Committee:

Thank you for allowing the Kansas Association of Counties to offer opponent testimony on SB 248, which would create a sales tax exemption for “food and food ingredients” as defined in the bill.

The Kansas Association of Counties understands that tax exemptions are a way to encourage certain behavior. KAC was neutral when this exemption was limited to healthy foods even though that would have impacted local sales tax revenues to some degree. Countywide sales taxes are used to fund many state mandated services at the local level, including EMS, road and bridge projects, emergency call centers, and behavioral health. Some counties use sales tax to help offset the property tax burden in the county. Countywide sales taxes require a ballot provision, which must be approved by local voters. The scope of this bill has been expanded greatly, and as KAC expressed in its neutral testimony, it is still important that local sales tax revenues be preserved to continue to fund these critical local programs.

SB 248 is a bill that will, in its current form, shift the burden of funding local government onto the property tax. County government has a limited number of funding sources. Since 2000, county government has lost the Local Ad Valorem Tax Reduction (LAVTR), the City County Revenue Sharing (CCRS), machinery taxes, mortgage registration fees, and other revenue streams. In addition, even as the state has increased the gas tax, the local portion that goes to cities and counties has been decreased, so all of the additional gas tax revenue goes to the state, even as gas tax revenues decline overall. This trend has led to a reliance on local property taxes to fund nearly all of county government activities. A negative impact on sales tax revenues, which SB 248 would certainly have, would further increase the reliance on property taxes to fund county government.

The Kansas Association of Counties opposes SB 248. We ask that this committee partner with us in preserving local sales tax revenues and easing the burden on local property taxes. Thank you for the opportunity to present this perspective on this legislation.

Jay Hall
Deputy Director and General Counsel
Kansas Association of Counties
hall@kansascounties.org
(785)272-2585