

Senate Committee on Assessment and Taxation  
Testimony of Citizens' Utility Ratepayer Board  
Proponent Written and Oral Testimony  
Senate Bill 54  
February 1, 2023

Madame Chair Tyson and members of the Senate Committee on Assessment and Taxation, thank you for this opportunity to testify regarding Senate Bill (SB) 54. My name is David Nickel. I am the Consumer Counsel for the Citizens' Utility Ratepayer Board (CURB). CURB is the advocate for residential and small commercial ratepayers before the Kansas Corporation Commission (KCC or Commission) and the Kansas Legislature. My testimony reflects the interests of these utility ratepayer classes regarding SB 54.

SB 54 puts commercial and non-commercial premises on equal footing with respect to the state rate of taxation under the Kansas Retailers' Sales Tax Act on the gross receipts from the sale or furnishing of gas, electricity and heat by mains, lines or pipes to such premises, both being at the rate of 0%. Under current law, the Kansas Retailers' Sales Tax Act provides a state rate of 0% on the gross receipts from the sale or furnishing of gas, electricity and heat by mains, lines or pipes to residential premises for non-commercial use.

CURB supports SB 54 inasmuch as it results in a smaller burden for small commercial ratepayers in connection with the overall rates of electricity and gas utility rates in Kansas. Further, treating commercial premises the same as residential premises under the Kansas Retailers' Sales Tax Act appears to be fundamentally fair. It should be noted that commercial enterprises will roll into the price of their products and services the costs of producing the same, including retailer sales taxes paid on electricity and gas utility services; as a result, Kansas residents will ultimately pay those retailer's sales taxes (on electricity and gas) as part of the price of the goods and services they purchase, and they may pay Kansas retailers' sales tax on the entirety of the goods and services purchased.

With COVID-19 not very far in the background and the U.S. economy suffering the highest inflation rate in decades, CURB empathizes with small commercial utility ratepayers who may be struggling to keep their businesses open. SB 54 may help those small businesses in a fair way to maintain enough margin to endure the problems with the economy that we face today. Keeping small commercial ratepayer businesses open and purchasing gas and electric services helps all utility ratepayers.

Thank you for this opportunity to express the perspective of CURB on SB 54.