

House Committee on Taxation
Testimony in Support of Senate Bill 169
Presented by Eric Stafford, Vice President of Government Affairs

Monday, March 13, 2023

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to support Senate Bill 169, which would establish a single income tax rate of 4.75% on all income for individual taxpayers, along with an exclusion.

In our Kansas Tax Modernization- A Framework for Stable, Fair, Pro-Growth Reform by the The Tax Foundation, authors wrote "The Index highlights how Kansas' individual income tax structure is also average in terms of its competitiveness compared to other states."

Kansas personal income tax rates		
Tax rate	Single, married filing separately, head of household	Married, filing jointly
3.10%	\$0 to \$15,000	\$0 to \$30,000
5.25%	\$15,001 to \$30,000	\$30,001 to \$60,000
5.70%	\$30,001 and above	\$60,001 and above

Source: [Kansas Department of Revenue](#)

TABLE 4.4.

Share of AGI and Tax Liability by Income Group for Resident Taxpayers (Tax Year 2016)

AGI Class	Share of AGI	Share of Tax Liability
\$0 - \$24,999	8%	0.20%
\$25,000 - \$49,999	16%	11%
\$50,000 - 74,999	14%	13%
\$75,000 - \$100,000	14%	14%
\$100,000 - \$250,000	32%	39%
\$250,000 +	18%	23%

Source: Kansas Department of Revenue, "2018 Complete Annual Report," 22.- Kansas Tax Modernization, Tax Foundation December 2019

As you see above, Kansas' top rate kicks in at only \$30,000 for single filers. While that group of taxpayers has a disproportionate share of tax burden, their tax liability, according to the Tax Foundation, is largely offset because of the state's EITC program.

We believe shifting to a single rate for personal income taxes would not only simplify returns but would result in stronger economic growth due to a lower top marginal rate. The fiscal note from last year's SB 328 stated the estimated tax savings of \$200 million the first year and \$150 million each year after. It is well documented that Kansas is experiencing record revenues.

We view SB 169 as a reasonable, predictable tax proposal to help individual and businesses with their income tax burden. We would however like to recommend that this committee amend the bill to

include a growth trigger similar to House Bill 2061 to allow for future personal and corporate income tax rate reductions as state receipts grow. We are happy to work on language that would satisfy concerns over structure and implementation. This method has been very successful in North Carolina as rates continue to decline as their tax revenues grow.

We appreciate the opportunity to submit testimony in support of Senate Bill 169, and I am happy to answer any questions at the appropriate time.