SB 33 Proponent Testimony – written only Eliminate income tax on Social Security House Taxation Committee Dave Trabert – CEO March 14, 2023



Chairman Smith and Members of the Committee,

We appreciate this opportunity to submit wittine testimony in support of SB 33, which exempts Social Security from state income tax.

Kansas is one of only 13 states that tax social security income and one of only 16 that doesn't exempt or give partial credit for private retirement income. (Government pensions are exempt from state income tax.) Taxability of retirement income is a large part of why Kiplinger rates Kansas as the third least tax-friendly state for retirees.

The heavy tax burden on retirees was likely a factor in Kansas being one of just 18 states that lost population between July 2021 and July 2022. Every neighboring state gained population at the same time.

Kansas has also suffered net losses from domestic migration – more U.S. residents leaving Kansas than choosing to move here. The net loss between 2000 and 2021 is more than 185,000 people.

Expressed as a percentage of 2021 population, that 185,000 loss makes Kansas the 12th worst in the nation and puts the Sunflower State in the company of states like New York, California, Illinois, and Connecticut.

The tax relief that would be provided by SB 33 is much needed by retirees, and we encourage you to recommend the bill favorably for passage.

Thank you for your consideration.

