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Partners in America's Poverty Fighting Network

**House Committee on Taxation
Testimony on HB 2237**

Scott Anglemyer, Executive Director, Kansas Association of Community Action Programs

Chairman Johnson and Members of the Committee:

Thank you for the opportunity to testify in support of HB 2237, the “Rise Up Kansas” tax reform package. My name is Scott Anglemyer, and I am executive director of the Kansas Association of Community Action Programs (KACAP). KACAP is the membership association for Community Action Agencies in Kansas that are working to create economic opportunity and end poverty in their communities. Our member agencies work to better focus local, state, private, and federal resources to assist low-income individuals and families become more self-sufficient. Together, our agencies provide services to over 14,000 low-income Kansans each year.

We support HB 2237 because it reverses tax policy changes that disproportionately fell on the backs of low-income Kansans. The 2012 tax changes essentially shifted a greater share of the burden of funding the state on the poorest Kansans by eliminating the top income tax bracket, creating the so-called “LLC loophole,” and setting in motion a process of further income tax reductions. The net effect of those changes was to increase the amount that households with annual incomes below \$42,000 pay in taxes, while dramatically lowering taxes for all other households. In fact, according to data from the Institute for Taxation and Economic Policy, the poorest households now pay \$197 more in taxes annually than they did prior to the 2012 changes.

HB 2237, however, goes further to provide an important benefit to low-income households by reducing the sales tax on food. Sales taxes are often said to be inherently regressive. The reason for this is that poor households spend higher percentages of their incomes than do higher income households, so they end up paying a greater share of their income in sales tax. Food sales taxes are particularly regressive for the same reason, since poor households devote a greater share of their incomes to food. By lowering the sales tax rate on food, this bill goes an additional step in making the state’s tax policies more fair for its poorest residents.

By incorporating these provisions into a comprehensive tax reform package, HB 2237 makes the kind of structural reform that is necessary to provide a long-term solution to the state’s budget problems. By shifting the tax burden away from low-income Kansans, it also gives thousands of Kansas families an important additional boost as they work to become more self-sufficient.

KACAP Member Agencies and Board of Directors

Community Action, Inc.
East Central Kansas Economic Opportunity Corporation
Economic Opportunity Foundation
Harvest America Corporation

Mid-Kansas Community Action Program
Northeast Kansas Community Action Program
Southeast Kansas Community Action Program
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