

**House Committee on Taxation  
Opposition to House Bill 2237  
Presented by Eric Stafford, Vice President of Government Affairs**



**Tuesday, February 7, 2017**

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large employers across the state. We appreciate the opportunity to testify in opposition to House Bill 2237 which unravels the 2012 income tax cuts passed to improve the economic climate of the state and lower rates on all taxpayers.

In addition to increasing motor fuel taxes 11 cents per gallon, HB 2237 repeals the small business tax cuts, and increases tax rates on individuals earning over \$40,000 per year from 4.6% to 6.45%. Supporters of this proposal stated during their press conference on this plan that “those at the top are not paying their fair share.” We would entirely disagree with the logic that someone earning \$40,001 (or \$80,001 for a married couple) is “at the top.” HB 2237 also repeals the statutory growth trigger set to go into effect in 2021.

Each year as part of our legislative agenda development process, the Kansas Chamber commissions a poll of 300 business leaders from across the state, representative of industry make-up, size of employer, and geographical representation of businesses across the state. While the results were in fact split on whether or not to repeal the small business taxes, what the legislature should do with that money was not. 71% said to either keep the tax cuts in place or if repealed, use the revenue to lower other taxes. Only 15% of respondents said the state should use the money for additional government spending. HB 2237 doesn’t buy down other tax rates. It does the opposite by significantly increasing the tax burden on residents of this state.

HB 2237 not only brings back the uncompetitive tax climate for small businesses, but saddles the middle class with a massive tax increase. We believe this legislature should focus on adopting efficiencies from the A&M study to achieve cost savings rather than increasing taxes. Historical spending in our state has far outpaced the rate of inflation. Had spending been held reasonably in line with inflation, we would not be having this discussion today.

Our organization believes taxpayers should keep more of their hard-earned money as they know how to spend it better than government. We urge you to vote against this \$800+ million tax increase.

Thank you for the opportunity to testify in opposition to HB 2237, and I am happy to answer any questions the committee may have at the appropriate time.



*The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to do business. The Chamber represents small, medium and large employers all across Kansas.*