



**House Committee on Taxation
Testimony in Opposition to House Bill 2230
Presented by Kent Eckles**

Thursday, February 18th, 2021

Mister Chairman and members of the committee, my name is Kent Eckles on behalf of the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state.

The Kansas Chamber appreciates the opportunity to testify in opposition to House Bill 2230, which expands Kansas sales tax to digital goods and digital subscription services. HB 2230 comes as a recommendation from the Governor's Tax Council but is only being used as a revenue generator.

The *Kansas Tax Modernization* report released in December, 2019 by the Tax Foundation recommends broadening the sales tax base as one way to generate revenue to lower tax rates. One of those recommendations is the policy decision contained in HB 2230 taxing digital goods and streaming subscription services. Kansas already has the 8th highest state/local sales tax burden in the nation.

Unfortunately, HB 2230 simply broadens the sales tax base without any offsetting rate reduction. Raising taxes without discussing comprehensive tax reform is the last thing Kansas needs, as the state continues to draw in record revenues. We appreciate the opportunity to testify in opposition to House Bill 2230 and I am happy to answer any questions.