



Written Testimony in Favor of HB 2484
Presented to the House Taxation Committee on
Presented by Tim McKee, CEO
Olathe Chamber of Commerce
January 25, 2022

Chairman Smith and Honorable Committee Members,

The Olathe Chamber of Commerce is the largest chamber in Johnson County and the second largest chamber in the Kansas City area. Comprised of 1,300 members and growing, it was the first chamber in the state to receive 5-Star Accreditation from the U.S. Chamber of Commerce – a designation obtained by less than 1 percent of the nation’s chambers. Its mission is to be the voice of business that advances the economic well-being and quality of life in Olathe.

In 2019, the Olathe Chamber’s adopted the position to support reduction and/or elimination of sales tax on food. Despite sales tax on food being one of the most consistent tax revenue sources, it is also arguably one of the most regressive. As such the Olathe Chamber supports passage of HB 2484, which proposes a 0% state rate for sales and use taxes for sales of food, while maintaining the option of levying sales taxes by cities and counties.

Kansas remains an outlier state in the Midwest region by assessing the highest state sales tax on food, and when combined with local sales tax, ranks nationally as the highest in the country. By eliminating the state sales tax rate on food, Kansas lawmakers can provide a tax reduction on what most would argue is one of the greatest necessities.

In addition, studies have shown there is up to 10% loss in grocery revenue to our bordering states. Olathe is a bordering community where shopping choices are easily made on lower prices. By lowering the food sales tax rate lawmakers can also incentivize Kansans to buy their food in Kansas.

The Olathe Chamber applauds lawmakers for their consideration to eliminate food sales tax and this committee for hearing HB 2484. While we understand there are a myriad of competing demands for this year’s excessive state revenue, it is prudent public policy to consider a tax reduction that is both equitable and impactful in everyday Kansans’ lives. As such, we respectfully request your favorable consideration HB 2484.

Respectfully submitted,

A handwritten signature in black ink that reads "Tim McKee". The signature is written in a cursive, flowing style.

Tim McKee, CEO, Olathe Chamber of Commerce