



Responsible Policy. Real Prosperity.

March 14, 2018

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Kansas Center for Economic Growth
Written, neutral testimony on House Bill 2761
House Taxation Committee

Chair Johnson and Members of the Committee:

Thank you for the opportunity to provide testimony on Kansas tax policy. The Kansas Center for Economic Growth (KCEG) is a nonpartisan organization dedicated to promoting balanced budget and tax policies that help ensure all Kansans prosper. **We are submitting neutral testimony on House Bill 2761 for the following reasons:**

- **HB 2761 is a targeted response to federal tax law changes.** Federal tax law changes present an opportunity to consider what kind of tax policy we want as a state. As the impact of federal tax reform on Kansas is fully realized, lawmakers should work to craft policies that help hardworking Kansas families. In doing so, we must find sustainable, recurring sources of revenue to pay for these policy changes.
- **We have concerns about the fiscal note for the bill.** Kansas' budget is not yet structurally balanced. Tax policy passed in 2012-2013 decimated our state's revenue stream. The passage of comprehensive tax reform has put our state on the path to fiscal recovery, but work remains. The road to recovery includes finding recurring and sustainable sources of revenue to address our state's most pressing priorities: providing great schools, affordable health care, solid infrastructure, and building thriving communities in Kansas.

Lawmakers have a difficult task ahead as our state recovers from the failed 2012 tax plan, nine consecutive rounds of budget cuts, and years of disinvestment. We appreciate the committee's thoroughness in evaluating all the available options. As you seek sustainable and renewable revenue sources to reinvest in our state, KCEG is happy to provide technical assistance. Please do not hesitate to contact me (heidi@realprosperityks.com) if you have any questions.

*To preserve our donor dollars and decrease our waste, we opted not to reprint our letterhead.
Please note our new address: 709 S. Kansas Ave, Suite 200, Topeka, KS 66603*

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