



Responsible Policy. Real Prosperity.

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Kansas Center for Economic Growth
Verbal Testimony in Support of House Bill 2382
House Taxation Committee

Chair Johnson and Members of the Committee:

Thank you for the opportunity to testify. 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 support House Bill 2382 because it will allow Kansas to begin reinvesting in our state's vital infrastructure and transportation systems**, although we encourage you to consider including it in a comprehensive, sustainable tax package that will re-balance the Kansas tax code.

Since 2012, over \$1 billion dollars has been swept from the state highway fund to fill the budget hole created by the Brownback tax experiment. However, the state highway fund cannot maintain Kansas' vital infrastructure and transportation systems without reliable and adequate funding. Its revenue comes from a variety of places, but relies most heavily on two streams: the gas tax and a portion of the state sales tax.

Currently, the state of Kansas is unable to keep up with crucial maintenance on highways, roads, and bridges, and the statewide transportation plan passed in 2010 (T-Works) is stalled. In 2016, Kansas spent less on highway maintenance than we have in at least the last decade. The gas tax rate has not been adjusted in over 13 years, and, in that time, the cost of maintenance has increased by over 30%.

By adjusting the gas tax, Kansas can begin to reinvest in our roads, bridges, and highways, and create more Kansas jobs. The Kansas economy is built on our transportation infrastructure, and its strength is a key consideration for companies considering a move to Kansas. This bill also gives the state an opportunity to create jobs, as three different studies estimated that the T-Works program would create 175,000 jobs. Instead, Kansas lost the highest number of construction jobs in the nation last year.

We support House Bill 2382 because now is the time to reinvest in our critical infrastructure and jump start job creation in the state.