

DE SOTO

KANSAS

Rick Walker
Mayor

March 10th, 2023

Mike Brungardt, P.E.
City Administrator
City Engineer

Brandon Mills
MPA
City Clerk
Assistant City
Administrator

Patrick G. Reavey
City Attorney

The Honorable Adam Smith, Chair
House Committee on Taxation
Kansas State House of Representatives
300 SW 10th Avenue
Topeka, Kansas 66612

RE: Opposition to Senate Bill No. 248

Dear Representative Smith:

I am writing to express my strong opposition to Senate Bill 248, which proposes a local sales tax exemption for food sales. While I understand that the bill intends to reduce the burden on taxpayers, I believe the bill has significant flaws that outweigh its potential benefits.

CITY COUNCIL:

Rob Daniels
Kevin Honomichl
Danny Lane
Lori Murdock
Kevin Ritter

In De Soto, our local Harps Grocery Store was made possible because of a tax increment financing (TIF) incentive offered to attract the store to build in De Soto. The local sales tax is part of the TIF incentive. If the bill is signed into law in its current state, we estimate that almost all HARPS' sales would qualify for this exemption, which could result in a reduction of \$126,000 in sale tax collection that should be going to the TIF. This could significantly impact the TIF project. Looking at all food sales in De Soto, the total revenue loss is approximately \$146,000. Additionally, sales tax on food is a significant revenue stream for many smaller communities. One community estimated they could see a 30% to 40% reduction in operating revenue as a direct result of the legislation.

Therefore, I strongly urge you to vote against SB 248 and instead focus on alternative methods to reduce the burden on taxpayers without compromising the city's revenue collection. I appreciate your attention to this matter, and thank you for considering my views.

Respectfully,



Rick Walker
Mayor of the City of De Soto, Kansas

www.desotoks.us

P O Box C
32905 W 84th Street
De Soto, KS 66018
913-583-1182
FAX 913-583-3123