



City of Lawrence

CITY MANAGER'S OFFICE

DAVID L. CORLISS
CITY MANAGER

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CITY COMMISSION

MAYOR
ARON E. CROMWELL

COMMISSIONERS
ROBERT J. SCHUMM
MICHAEL DEVER
HUGH CARTER
MIKE AMYX

March 14, 2012

The Honorable Richard Carlson, Chairperson
House Committee on Taxation
Statehouse, Room 274-W
Topeka, Kansas 66612

Re: City's Opposition to **HB 2763** (Enacting the Kansas Economic Freedom Act of 2014)

Dear Chairman Carlson & Committee Members:

I am writing on behalf of the Lawrence City Commission to express the City's opposition to HB 2763. As written, the bill will negatively impact our City's revenues. Repealing the state sales and use tax provisions will in effect repeal the local option sales and use tax of local governments across the state. There is currently no provision in HB 2763 to preserve the ability of local governments to collect local option sales tax. The City relies on revenue from our local sales tax to fund our transit system, to maintain our streets, to develop and maintain our city parks, to acquire fire apparatus, and other equipment for public safety agencies, and many other vital city services. Without this important revenue stream, the City will have to raise property taxes or severely cut or eliminate services that our citizens rely upon.

Furthermore, the bill does not exempt local governments from the payment of the proposed consumption tax of 5.7% on all purchases of goods and services. The City has historically been exempt from the payment of sales tax on purchases of goods and services. Payment of the consumption tax will also have dire consequences on the City's budget.

For these reasons, we urge you to not pass HB 2763. If you have any questions, please feel free to contact our City Manager, David Corliss by email at dcorliss@lawrenceks.org, or by telephone at (785) 832-3400. Thank you for your consideration of the City's opposition to HB 2763.

Respectfully,

Aron E. Cromwell, Mayor

C: Commissioners
David L. Corliss, City Manager

