



**House Committee on Taxation
Hearing on House Bill 2235
Hearing Date - February 16, 2017**

**Written Testimony in Support of HB 2235 on behalf of the City of Manhattan
By Kiel Mangus, Assistant City Manager**

Good morning Chair Johnson, Vice Chair Phillips and Honorable Members of the House Committee on Taxation. My name is Kiel Mangus and I am the Assistant City Manager for Manhattan.

The City of Manhattan SUPPORTS HB 2235. The City of Manhattan supports any legislation that works toward evening the playing field between online retailers and brick-and-mortar businesses. The lack of payment of sales tax by many online retailers and buyers hurts local businesses in Kansas. Kansas purchasers should be paying this particular use tax already, but very few do. This legislation is not a new tax, but rather an enforcement of what should already be occurring.

- It is estimated that the City of Manhattan has missed out on over \$5 million in uncollected sales tax on remote sales since 2011. With those funds, the City could have provided better services to its residents at no extra cost to the state government.
- The State of Kansas has a large budget deficit. Any efforts to further the collection of due taxes would further aid the State in addressing that shortfall.
- Awareness and knowledge is power. Many citizens do not pay use tax owed from online purchases simply because they are not aware that the state of Kansas requires purchasers to report such taxes due on their K-40 tax form. This bill would help notify both purchasers and the Department of Revenue of use tax due, and would also require online retailers take more efforts to track those sales and provide more pertinent information to those applicable Kansas purchasers.

For all the above reasons the City of Manhattan supports HB 2235. Thanks for your time and consideration.