



WICHITA **INDEPENDENT BUSINESS** ASSOCIATION

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May 17, 2017

Written Testimony Before the Senate Assessment and Taxation Committee

HB 2380

By Alicia Holloway, President

Chairman Tyson and members of the Committee:

The Wichita Independent Business Association/Kansas Independent Business Coalition represents hundreds of independent (not publicly held) businesses across the state. The majority of our members are small businesses. We oppose the sales tax on services proposed in HB 2380.

HB 2380 proposes to expand the sales tax on services to a group of service providers including collection agencies, security guards and detectives, pet care and groomers, nonresidential cleaners, storage facilities and towing companies. These service providers are often self-employed or small business owners who do not have access to or own the sophisticated software needed to administer the tax collection for the state.

WIBA members oppose HB 2380 because many small businesses in the personal services arena operate with very tight margins. Passage of this bill may have their businesses not only disrupted with a new compliance obligation but more importantly, it may take away much needed resources that limit the ability of the small business to grow.

WIBA members believe that the state should have a balanced budget supported by adequate revenue. This measure opens the door a tax on services that has never been taxed before and creates overhead and regulations for these businesses. We believe that there are other, more equitable ways, to increase revenue to meet that state's need.

We thank you for your time and consideration of the issue. Please let me know if you have any questions or need additional information.