



TESTIMONY OF JOEY HENTZLER  
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KANSAS HOUSE COMMITTEE ON TAXATION  
**IN OPPOSITION TO SENATE BILL 22**  
FEBRUARY 19, 2019

My name is Joey Hentzler; I am the director of advocacy for the Kansas Appleseed Center for Law and Justice, a nonprofit, nonpartisan organization dedicated to the belief that Kansans, working together, can build a state full of thriving, inclusive, and just communities.

**Kansas Appleseed Opposes Senate Bill 22.**

In 2012, Kansas started down a path of radical tax cuts that crippled the state budget. Revenue from tax receipts dropped more than \$700 million dollars between State Fiscal Year 2013 and 2014, when the new tax plan came into effect.<sup>1</sup> This tax experiment was sold with the promise that it might improve the economy, but the results are in and the experiment failed.

Growth in revenue stagnated. Kansas was unable to pay our bills, and so we had to dip into reserve funds. Large sums of money were swept from the Kansas highway fund and from delayed retirement fund (KPERs) payments. This left our state's infrastructure vulnerable, and our state pension system in trouble. Funding for vital programs was cut across the board. The economy did not take off; it stalled out. GDP growth in Kansas between 2012 and 2017 was significantly lower than both the US as a whole and our Plains state neighbors.<sup>2</sup> Kansas's credit rating was downgraded three times as we had to borrow more and more money.<sup>3</sup>

In June 2017, Kansans were fed up and lawmakers passed new legislation that put an end to this failed tax experiment. Projected revenues are back up, but our state still has significant needs. The foster care system is in crisis.<sup>4</sup> Infrastructure, schools, health care, early education, and KPERs are all in early stages of recovery from the last failed tax experiment. The last thing Kansas needs right now is another experiment with a new risky tax plan.

SB22 proposes a huge new tax experiment that we simply cannot afford. The revised fiscal note for SB22 estimates that the proposal will reduce State General Fund revenue by \$416 million dollars over the next three years.<sup>5</sup> This is not a responsible course of action. We strongly urge lawmakers to oppose it.

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<sup>1</sup> SFY2013: \$ 6,333,198,000 - SFY2014: \$ 5,632,080,000. Official Consensus Revenue Memos retrieved at: <https://budget.kansas.gov/estimates/>.

<sup>2</sup> GDP Growth 2012-2017, Kansas: 13.3%, Plains States: 15.2%, United States: 20.3%; Annual GDP by State retrieved at: <https://apps.bea.gov/regional/downloadzip.cfm>

<sup>3</sup> Kansas Center for Economic Growth. "Pocket Guide to the Kansas Tax Experiment." Retrieved at: [https://realprosperityks.com/wp-content/uploads/2018/07/KCEG\\_One-Sheet\\_v2.png](https://realprosperityks.com/wp-content/uploads/2018/07/KCEG_One-Sheet_v2.png)

<sup>4</sup> Strengthen Families Rebuild Hope. "Addressing the Foster Care Crisis in Kansas: Recommendations from the Strengthen Families Rebuild Hope Coalition." Retrieved at: [http://www.rebuildhopekansas.org/uploads/2/1/9/2/21929892/sfrh\\_2018report\\_final.pdf](http://www.rebuildhopekansas.org/uploads/2/1/9/2/21929892/sfrh_2018report_final.pdf)

<sup>5</sup> Kansas Division of the Budget. Retrieved at: [http://www.kslegislature.org/li/b2019\\_20/measures/documents/fisc\\_note\\_sb22\\_00\\_0000.pdf](http://www.kslegislature.org/li/b2019_20/measures/documents/fisc_note_sb22_00_0000.pdf)