

To: Senate Assessment & Taxation Committee

From: Erik Sartorius, Executive Director

Date: February 2, 2022

RE: Neutral Testimony on SB 359

I want to thank Chairwoman Tyson and the members of the Committee for affording the League of Kansas Municipalities the opportunity to provide neutral testimony on SB 359.

In general, the League of Kansas Municipalities' policy position on sales taxes states that the application should be broad and the benefit of any exemptions outweigh the costs. Since SB 359 as drafted removes only the state sales tax on utility sales, we do not have a position on that policy choice.

We are very supportive of Section 1(b), however, which provides cities and counties the option of removing their local sales tax on utility sales. By including this provision, SB 359 ensures that local governments are able to choose the path forward that makes the most sense for their communities.

Thank you for the opportunity to give testimony on behalf of our member cities. We appreciate the bill's recognition that local communities are more than capable of listening to their constituents and setting policy.