SCR 1620 Proponent Testimony – Written Only
Senate Committee on Assessment and Taxation
Constitutional Supermajority for Tax Increases
Dave Trabert, Kansas Policy Institute
March 10, 2022

Madam Chair and Members of the Committee,

We appreciate this opportunity to submit written testimony in support of SCR 1620, which establishes a supermajority requirement for bills with new or increased state taxes. A large majority of taxpayers oppose tax increases whenever asked, so it makes sense to require a supermajority to do so.

Every proposed new tax or tax increase represents an unwillingness to spend taxpayer money efficiently as an alternate means to balance a budget. Every state provides the same basket of services (education, social services, etc.), but some states offer those services at much lower costs and pass the savings to taxpayers in the form of lower rates.

For example, the states that tax income spent 56% more per resident in 2019 than those without an income tax. Kansas spent 42% more per resident than the states without an income tax.[1]

Some taxation is necessary, but taxes have negative economic consequences for people and companies. Spending more on taxes forces taxpayers to spend less on other things. Increases in corporate tax rates lead to significant decreases in employment, hours worked, and income.

So states that spend less are not only able to tax less, but they also grow more. They have more robust GDP gains and superior job growth. For example, the states without an income tax had 53% private-sector job growth between 1998 and 2019, compared to 26% for the other states.[2]

Taxpayers also find good value in the services provided in low-tax states. U.S. Census data shows that the ten states with the lowest tax burdens (Tax Foundation) gained 7 million residents between 2000 and 2019, while the ten highest-burden states lost 8.8 million.

Kansas already has very uncompetitive tax rates. For example, the Tax Foundation says Kansas has the highest effective tax rates on mature businesses.[3] Kiplinger just ranked Kansas the third least friendly state for retirees due to full taxation on private plans, Social Security benefits, and out-of-state public pensions.[4]

We appreciate the opportunity to testify in support of SCR 1620 and thank you for your consideration.

---

[1] National Association of State Budget Officers, U.S. Census. Spending excludes federal funding and expenditures related to the issuance of debt.
[2] Bureau of Economic Analysis
[3] Location Matters 2021: the State Tax Costs of Doing Business, Tax Foundation, https://files.taxfoundation.org/20210504162527/Location-Matters-2021-The-State-Tax-Costs-of-Doing-Business.pdf
[4] *10 Least Tax-Friendly States for Retirees*. Rocky Mengle, David Muhlbaum, Kiplinger's, May 4, 2022, https://www.kiplinger.com/retirement/601815/least-tax-friendly-states-for-retirees