



Economic Lifelines

*Stimulating Economic Vitality
Through Leadership in Infrastructure Development*

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TO: House Tax Committee
FROM: Travis Lowe, CAE
Economic Lifelines
RE: Neutral Testimony on HB 2318
DATE: March 7, 2023

Mr. Chair and members of the committee,
On behalf of Economic Lifelines, thank you for the opportunity to present feedback on HB 2318.

Economic Lifelines serves as a state-wide coalition supporting Kansas transportation and infrastructure policy. Economic Lifelines is proud to represent over 60 members, consisting of private businesses, trade associations, local units of government and local chambers of commerce located in Kansas.

We understand the House and Senate are considering ways to make adjustments to state sales tax. This may include changes to the scheduled phase-out of the state sales tax on food, or in the case of HB 2318, a comprehensive reduction of the state sales tax rate. The purpose of our remarks is to bring awareness to a key component of interest to our membership. If and/or when the Committee takes action on HB 2318, or other state sales tax legislation, Economic Lifelines respectfully requests the inclusion of an amendment to hold the State Highway Fund harmless by re-adjusting the designated percentage.

A portion of the state sales tax is currently designated for the State Highway Fund. Last session, the House Tax Committee proactively adjusted the designated percentage for the State Highway Fund.

Our request is to urge the committee to make a similar adjustment if HB 2318 is considered. Economic Lifelines is extremely appreciative of the Legislature's 2020 passage of the IKE Ten-Year Comprehensive Transportation Plan. The IKE Plan and its commitment to the state was approved under the assumption of this sustained funding source without enacting new fees or taxes.

Economic Lifelines is happy to work with the committee to craft such an amendment at the appropriate time. Thank you for the opportunity to submit this testimony.