



# CAPITOL STRATEGIES, LLC

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SB 507 – Written only Neutral  
Sean Miller, Anheuser-Busch

Chairwoman Tyson, members of the Senate Assessment and Taxation committee, thank you for the opportunity to submit neutral testimony on SB 507 on behalf of Anheuser-Busch. Each year Anheuser-Busch purchases 360,000 bushels of corn from Bunge Milling in Atchison, Kansas adding approximately \$2.6 million dollars to the state economy. Further the sale of our products in Kansas generates approximately \$4.9 million in annual state excise taxes. Our in-state operations result in an annual payroll of \$1.7 million and generates more than \$460,000 in state and local tax receipts.

SB 507 would move corporations doing business in Kansas to a “single sales factor” tax formula. We are submitting neutral testimony on SB 507 today because we have no problem with corporations choosing to use single sales factor for the apportionment of the Kansas corporate tax. However, forcing all corporations to adopt this new formula would likely result in significant increases in corporate tax liability for a large number of companies doing business in Kansas. At the time we submitted this testimony there was no publicly available fiscal note, but we believe passage of SB 507 would result in a net increase in corporate taxes statewide.

We encourage you to look at the language contained in HB 2110 as an alternative approach. HB 2110, introduced last year at the request of the Kansas Chamber, was the result of significant stakeholder input. That bill, which is still alive in the House Tax committee, allows for companies doing business in certain defined industries to make an irrevocable ten year election to be taxed based on the single sales factor. It further requires the Kansas Department of Revenue to produce a report to the House and Senate Tax committees by March 1, 2028 detailing the number of companies that elect to use the single sales factor in lieu of the standard Kansas apportionment. Instead of the net tax increase that we would expect to see from passage of SB 507, the language of HB 2110 would result in a \$22 million dollar tax decrease for those companies choosing the single sales factor apportionment. To be clear, Anheuser-Busch would not receive a tax cut from passage of HB 2110, or similar language, but we would not see the substantial tax increase that we would see should SB 507 become law.

Chairwoman Tyson, thank you again for allowing us to present this neutral testimony on behalf of Anheuser-Busch and we thank the committee for their time and consideration of language like that contained in HB 2110 that would, rather than mandate a statewide change, instead allow corporations to opt-in to a single sales factor.