



May 7, 2019

Governor Laura Kelly  
300 SW 10<sup>th</sup> Ave., Suite 241 South  
Topeka, KS 66612-1590

Dear Governor Kelly,

On behalf of the Kansas Association of REALTORS® (KAR), we respectfully request that you approve House Bill 2033 (HB 2033). We believe the provisions of HB 2033 protect historical tax policy that benefits homeowners in Kansas and urge your favorable action.

HB 2033 would allow Kansas income taxpayers the ability to take the state-level itemized deductions regardless of whether they itemize or take the standard deduction on their Federal return. If HB 2033 is not enacted, an unintended income tax increase will continue to occur as a result of 2017 Federal tax reforms.

Specifically, HB 2033 prevents a \$156.7 million tax increase (over three years) on Kansas tax filers who no longer meet the \$24,000 for Federal itemization, but exceed the \$7,500 Kansas standard deduction. While, those with over \$24,000 would continue to be able to take the state-level deductions, not passing HB 2033 would result in a repeal of tax deductions for middle-class homeowners.

That result is counter to years of legislative history supporting the availability of this meaningful tax relief. Governor Brownback attempted to repeal itemized deductions in 2012 and 2013. The Legislature preserved and protected the deductions. Furthermore, in repealing the Brownback tax cuts, the Legislature put these deductions on a path to full restoration in 2017.

Repeatedly, the policy of whether to allow itemized deductions for Kansas income taxes has been brought before the Kansas Legislature. On all prior occasions, after lawmakers reviewed the policy rationale for the deductions, the Legislature preserved Kansans' ability to take these deductions.

With the recent passage of HB 2033 by the Legislature, we now ask for your support to preserve the American Dream for Kansans. We look forward to your support of HB 2033.

Thank you for your time and consideration to this important matter.

Respectfully,

Steve LaRue  
President, Kansas Association of REALTORS®

