

KANSAS ASSOCIATION OF BEVERAGE RETAILERS

P.O. Box 3842, Topeka, KS 66604 785-969-1617

March 24, 2015

Senate Assessment and Taxation Committee
RE: SB 233

Chairman Donovan and Committee Members:

My name is Jeff Jones of Bonner Springs, Kansas. Thank you for the opportunity to appear before you today on behalf of the Kansas Association of Beverage Retailers on a matter that is of the utmost importance to us and to hundreds of family owned businesses in Kansas. I was in corporate sales for 18 years until two years when I decided that rather than building someone else's dreams, I would build my own. I own a small liquor store in Bonner Springs, Kansas.

I am asking you to oppose SB 233 which would increase the enforcement tax on liquor by 50%. As a life long resident of Kansas I appreciate the challenges facing the state today and understand the need to make tough decisions regarding the budget. To raise the enforcement tax on alcohol however, would be damaging, not only to me and my store, but to the industry as a whole, especially in the counties bordering on Missouri.

Not a day goes by that I don't hear a comment from a customer regarding lower prices in Missouri. The Kansas City Star has numerous ads for Missouri stores advertising lower prices. This is an issue that all Kansas liquor store owners close to the state line deal with on a daily basis. I feel that SB 233 would do the reverse of what it proposes.

The Sunday sales law helped Kansas retailers to be competitive. We've worked hard to keep our customers here. This tax increase could once again chase our customers back to Missouri.

Kansas taxes liquor products three times. The gallonage tax is paid at the wholesale level, the liquor enforcement tax (increased 50% in this bill) is paid at the off-premise retail level, and the liquor drink tax is paid at the on-premise level – at our restaurants, bars, and events. Because Kansas consumers pay a tax on a tax on a tax, there is an exponential increase at the end of the line. Every glass of wine enjoyed at a restaurant, every beer enjoyed at Sporting KC, and every cocktail enjoyed at the Legends pays the 10% drink tax calculated on top of the 8% liquor enforcement tax, calculated on top of the gallonage tax. How can we compare to neighboring states who simply add a sales tax on top of a gallonage tax?

Wyandotte County, where my store is located, accounts for close to 10% of the gallonage and enforcement tax collected in the State. If you include Johnson County, the figure is closer to 30%. This has been a reliable stable source of revenue to Kansas. Revenue that consistently comes in at predicted numbers. We compete directly with stores in Kansas City, Missouri. This competitive imbalance already affects our business.

Statistically, 50% of the off-premise liquor sold in Kansas is sold within 80 miles of the Missouri state line. See chart. This has been a reliable stable source of revenue to Kansas. Revenue that consistently comes in at predicted numbers.

The larger the disparity in prices becomes between Missouri and Kansas, the more customers will migrate across the state line. The Kansas resident, even the many who want to support their local businesses, will drive the short distance for what could be a considerable savings.

Ultimately, this bill is about the customers. The cost of increased taxes will be paid by our customers, those who choose to remain loyal to Kansas businesses. It is for them and all of the thousands of people in the state of Kansas that rely on our industry for their livelihood, we ask you to oppose Senate Bill 233.

I am proud to be a part of the Kansas business community. I ask that you oppose SB 233. Please allow me to continue to build my dream for myself, my employees, and my family.

Regards,

Grand Slam Liquor
608 Tulip Drive, Ste A
Bonner Springs, Kansas 66012

Jeff W. Jones
5853 Millbrook Street
Shawnee, Kansas 66218

County	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Allen	\$ 187,145.25	\$ 195,940.28	\$ 205,098.42	\$ 210,619.86	\$ 225,304.33
Anderson	\$ 107,500.94	\$ 107,360.49	\$ 107,390.64	\$ 117,942.10	\$ 127,708.66
Atchison	\$ 105,942.85	\$ 106,369.13	\$ 153,495.03	\$ 116,237.91	\$ 111,928.56
Barber	\$ 94,289.07	\$ 103,140.50	\$ 123,651.65	\$ 140,221.58	\$ 144,243.23
Barton	\$ 462,947.03	\$ 486,366.67	\$ 494,923.72	\$ 529,152.06	\$ 529,433.87
Bourbon	\$ 165,551.98	\$ 166,771.81	\$ 167,348.70	\$ 172,913.06	\$ 177,154.19
Brown	\$ 172,684.27	\$ 170,682.17	\$ 184,549.01	\$ 188,419.65	\$ 195,921.77
Butler	\$ 836,639.50	\$ 878,717.98	\$ 874,957.43	\$ 898,446.09	\$ 910,869.98
Chase	\$ 36,499.49	\$ 38,236.28	\$ 44,041.07	\$ 48,959.93	\$ 50,881.88
Chautauqua	\$ 36,768.89	\$ 33,702.58	\$ 37,374.85	\$ 36,196.57	\$ 35,974.43
Cherokee	\$ 179,775.89	\$ 196,717.48	\$ 180,523.90	\$ 156,981.43	\$ 175,682.12
Cheyenne	\$ 31,459.62	\$ 34,028.16	\$ 38,085.28	\$ 41,900.50	\$ 43,098.42
Clark	\$ 19,085.00	\$ 17,858.00	\$ 20,398.00	\$ 20,825.00	\$ 19,449.81
Clay	\$ 128,163.60	\$ 134,841.29	\$ 133,825.70	\$ 132,603.39	\$ 130,981.48
Cloud	\$ 133,155.21	\$ 138,308.92	\$ 144,096.10	\$ 148,947.36	\$ 147,159.46
Coffey	\$ 96,776.76	\$ 105,685.36	\$ 105,183.23	\$ 117,109.76	\$ 128,881.32
Comanche	\$ 13,587.74	\$ 15,061.16	\$ 8,549.50	\$ 34,017.82	\$ 34,642.72
Cowley	\$ 587,817.82	\$ 624,261.04	\$ 627,844.44	\$ 674,375.55	\$ 673,309.85
Crawford	\$ 667,708.70	\$ 685,066.06	\$ 733,438.56	\$ 750,105.66	\$ 757,356.53
Decatur	\$ 40,088.57	\$ 42,116.07	\$ 44,431.55	\$ 46,425.02	\$ 48,071.21
Dickinson	\$ 316,153.89	\$ 339,723.28	\$ 349,344.72	\$ 351,357.91	\$ 358,300.61
Doniphan	\$ -	\$ -	\$ -	\$ -	\$ -
Douglas	\$ 3,380,775.90	\$ 3,485,537.09	\$ 3,652,108.96	\$ 3,716,270.90	\$ 3,852,957.68
Edwards	\$ 51,010.23	\$ 52,730.24	\$ 57,372.79	\$ 59,968.96	\$ 60,829.00
Elk	\$ 10,408.06	\$ 14,673.07	\$ 19,434.60	\$ 17,797.31	\$ 21,313.59
Ellis	\$ 730,681.54	\$ 796,092.07	\$ 839,780.31	\$ 875,068.49	\$ 874,972.39
Ellsworth	\$ 92,140.21	\$ 94,769.95	\$ 99,238.49	\$ 94,643.84	\$ 98,828.50
Finney	\$ 682,098.92	\$ 732,733.72	\$ 787,473.37	\$ 807,986.26	\$ 848,806.91
Ford	\$ 802,833.59	\$ 833,950.20	\$ 857,577.67	\$ 880,498.51	\$ 912,025.96
Franklin	\$ 378,510.22	\$ 388,218.53	\$ 416,847.57	\$ 432,729.52	\$ 456,826.87
Geary	\$ 580,146.82	\$ 566,888.79	\$ 634,245.71	\$ 580,029.14	\$ 564,590.64
Gove	\$ 25,720.03	\$ 26,731.63	\$ 28,972.16	\$ 33,850.01	\$ 37,080.97
Graham	\$ 42,776.23	\$ 43,220.24	\$ 44,692.17	\$ 45,849.10	\$ 48,787.95
Grant	\$ 150,463.18	\$ 145,547.69	\$ 139,018.94	\$ 138,214.28	\$ 145,709.75
Gray	\$ 36,542.32	\$ 41,692.91	\$ 48,529.56	\$ 55,164.03	\$ 61,778.16
Greeley	\$ 16,970.39	\$ 16,283.17	\$ 18,708.06	\$ 20,817.49	\$ 23,266.57
Greenwood	\$ 95,131.12	\$ 88,806.09	\$ 102,291.39	\$ 104,021.96	\$ 111,950.16
Hamilton	\$ 39,618.88	\$ 42,957.01	\$ 44,120.65	\$ 47,494.66	\$ 51,878.07
Harper	\$ 105,726.24	\$ 111,074.01	\$ 122,559.17	\$ 136,349.29	\$ 136,312.61
Harvey	\$ 416,792.14	\$ 432,190.52	\$ 468,690.55	\$ 515,505.42	\$ 540,786.64
Haskell	\$ 47,516.73	\$ 51,073.93	\$ 52,909.87	\$ 53,374.89	\$ 52,756.59
Hodgeman	\$ -	\$ 2,405.68	\$ 16,069.53	\$ 16,731.98	\$ 13,083.37
Jackson	\$ 149,502.53	\$ 142,577.32	\$ 144,529.96	\$ 139,578.62	\$ 134,319.88
Jefferson	\$ 204,764.69	\$ 221,825.82	\$ 230,608.38	\$ 230,542.92	\$ 240,282.73
Jewell	\$ 10,677.17	\$ 19,418.83	\$ 24,259.72	\$ 25,126.91	\$ 26,022.86
Johnson	\$ 11,571,747.64	\$ 12,010,169.03	\$ 12,171,179.17	\$ 13,004,024.09	\$ 13,884,608.16
Kearny	\$ 49,230.76	\$ 49,151.56	\$ 50,949.36	\$ 51,800.33	\$ 52,965.83
Kingman	\$ 89,607.48	\$ 92,003.01	\$ 97,054.88	\$ 110,531.80	\$ 111,978.84
Kiowa	\$ 26,556.83	\$ 25,142.96	\$ 31,194.12	\$ 30,769.64	\$ 31,930.99
Labette	\$ 329,571.89	\$ 286,985.68	\$ 283,522.74	\$ 293,355.05	\$ 295,433.47
Lane	\$ 36,991.64	\$ 38,978.18	\$ 36,937.33	\$ 41,292.61	\$ 43,786.18
Leavenworth	\$ 789,396.25	\$ 817,026.37	\$ 816,324.17	\$ 879,857.31	\$ 970,437.12
Lincoln	\$ 44,169.58	\$ 45,625.90	\$ 46,492.13	\$ 44,938.41	\$ 46,242.56
Linn	\$ 83,329.59	\$ 81,931.03	\$ 89,716.88	\$ 103,756.70	\$ 111,504.74

Logan	\$ 45,952.88	\$ 49,928.82	\$ 56,318.80	\$ 57,986.98	\$ 54,913.67
Lyon	\$ 542,397.43	\$ 563,718.84	\$ 568,996.75	\$ 604,345.12	\$ 630,493.23
Marion	\$ 122,558.97	\$ 129,937.87	\$ 137,882.73	\$ 144,093.12	\$ 143,777.52
Marshall	\$ 141,037.27	\$ 145,396.95	\$ 161,642.36	\$ 159,880.84	\$ 165,393.52
McPherson	\$ 387,854.28	\$ 414,294.41	\$ 417,337.37	\$ 444,115.89	\$ 495,079.99
Meade	\$ 27,013.37	\$ 33,051.82	\$ 46,038.32	\$ 62,192.38	\$ 68,016.38
Miami	\$ 445,254.16	\$ 457,444.20	\$ 467,400.92	\$ 493,582.65	\$ 530,150.34
Mitchell	\$ 159,160.10	\$ 158,896.41	\$ 163,310.29	\$ 168,851.07	\$ 184,625.54
Montgomery	\$ 729,600.06	\$ 748,678.47	\$ 765,762.81	\$ 791,939.00	\$ 803,209.28
Morris	\$ 98,643.95	\$ 100,157.81	\$ 100,067.64	\$ 96,873.48	\$ 97,584.80
Morton	\$ 55,352.14	\$ 64,482.14	\$ 63,573.72	\$ 67,304.72	\$ 70,265.02
Nemaha	\$ 164,554.04	\$ 168,515.38	\$ 177,356.20	\$ 180,085.43	\$ 200,464.67
Neosho	\$ 220,961.09	\$ 230,099.90	\$ 241,586.82	\$ 254,956.29	\$ 273,506.94
Ness	\$ 29,888.51	\$ 35,081.02	\$ 37,182.03	\$ 40,978.67	\$ 41,749.09
Norton	\$ 88,561.87	\$ 75,348.65	\$ 81,504.21	\$ 86,636.16	\$ 89,162.59
Osage	\$ 248,332.78	\$ 260,471.10	\$ 276,157.98	\$ 287,785.13	\$ 295,109.06
Osborne	\$ 55,350.95	\$ 60,389.35	\$ 64,045.92	\$ 70,817.69	\$ 75,886.70
Ottawa	\$ 45,679.55	\$ 49,853.61	\$ 53,889.10	\$ 55,019.28	\$ 58,667.57
Pawnee	\$ 74,369.07	\$ 86,408.51	\$ 91,038.00	\$ 101,119.57	\$ 100,679.49
Phillips	\$ 81,415.01	\$ 83,396.84	\$ 89,363.87	\$ 92,957.56	\$ 93,684.18
Pottawatomie	\$ 431,194.33	\$ 476,467.21	\$ 517,422.74	\$ 546,952.79	\$ 569,329.95
Pratt	\$ 183,580.18	\$ 191,463.92	\$ 211,235.23	\$ 221,052.51	\$ 233,709.44
Rawlins	\$ 43,760.16	\$ 41,961.44	\$ 43,306.85	\$ 45,891.31	\$ 46,895.88
Reno	\$ 945,896.28	\$ 1,071,227.98	\$ 1,119,818.23	\$ 1,139,681.59	\$ 1,156,904.06
Republic	\$ 67,025.80	\$ 69,114.27	\$ 70,618.03	\$ 68,870.79	\$ 71,508.34
Rice	\$ 120,525.42	\$ 129,800.24	\$ 128,419.82	\$ 136,585.80	\$ 136,772.73
Riley	\$ 1,554,190.34	\$ 1,598,255.13	\$ 1,554,775.84	\$ 1,647,286.63	\$ 1,722,070.49
Rooks	\$ 104,865.22	\$ 108,832.88	\$ 117,207.59	\$ 116,876.91	\$ 119,943.00
Rush	\$ 43,209.17	\$ 42,230.56	\$ 46,013.37	\$ 48,692.78	\$ 50,704.52
Russell	\$ 125,751.89	\$ 138,992.98	\$ 147,092.54	\$ 157,973.40	\$ 162,867.96
Saline	\$ 1,312,585.19	\$ 1,323,334.45	\$ 1,383,172.93	\$ 1,368,385.98	\$ 1,422,801.89
Scott	\$ 94,686.73	\$ 97,583.50	\$ 106,298.01	\$ 108,989.44	\$ 111,267.25
Sedgwick	\$ 11,275,633.99	\$ 11,448,005.67	\$ 11,773,466.80	\$ 12,543,801.03	\$ 13,061,132.55
Seward	\$ 444,957.80	\$ 468,322.02	\$ 497,874.81	\$ 507,947.25	\$ 517,400.49
Shawnee	\$ 4,042,110.54	\$ 4,153,049.44	\$ 4,273,587.83	\$ 4,347,040.84	\$ 4,479,979.61
Sheridan	\$ 28,138.26	\$ 28,738.35	\$ 29,157.27	\$ 35,684.28	\$ 35,020.37
Sherman	\$ 112,319.52	\$ 117,727.59	\$ 126,831.44	\$ 126,187.38	\$ 132,386.43
Smith	\$ 48,327.61	\$ 47,769.01	\$ 46,790.36	\$ 48,795.47	\$ 47,446.07
Stafford	\$ 34,064.26	\$ 36,555.82	\$ 37,184.65	\$ 39,942.69	\$ 41,306.20
Stanton	\$ -	\$ -	\$ -	\$ -	\$ -
Stevens	\$ 75,948.11	\$ 75,693.95	\$ 84,576.66	\$ 97,109.77	\$ 116,808.22
Sumner	\$ 263,533.75	\$ 267,318.49	\$ 277,458.61	\$ 277,445.44	\$ 289,790.34
Thomas	\$ 153,838.15	\$ 194,815.10	\$ 212,169.44	\$ 222,003.24	\$ 215,811.04
Trego	\$ 46,254.60	\$ 48,798.68	\$ 47,864.89	\$ 53,322.21	\$ 55,032.32
Wabaunsee	\$ 45,882.60	\$ 47,227.17	\$ 43,763.43	\$ 44,414.01	\$ 49,467.63
Wallace	\$ 23,292.39	\$ 26,037.50	\$ 27,925.94	\$ 33,203.13	\$ 36,124.67
Washington	\$ 37,232.63	\$ 42,198.69	\$ 47,696.14	\$ 49,952.43	\$ 49,265.15
Wichita	\$ 31,397.65	\$ 31,186.24	\$ 32,666.80	\$ 34,304.88	\$ 34,746.56
Wilson	\$ 117,961.02	\$ 118,675.09	\$ 121,896.57	\$ 123,847.40	\$ 132,623.00
Woodson	\$ 32,513.11	\$ 27,005.08	\$ 34,323.58	\$ 36,866.56	\$ 38,982.82
Wyandotte	\$ 3,310,575.61	\$ 3,399,181.57	\$ 3,540,756.90	\$ 3,647,143.94	\$ 3,774,570.07
Total	\$ 54,406,340.66	\$ 56,202,489.06	\$ 58,013,791.00	\$ 60,659,471.55	\$ 63,275,498.80

counties within 80 miles of border = \$ 32,040,119.37

