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state's system for giving sales tax exemptions to charities is too political -- and politics will probably keep it from getting changed.

Aug. 25, 2014



Kansas Secretary of Revenue Nick Jordan told Wichita Republicans Friday that the state's system for giving sales tax exemptions to charities is too political — and politics will probably keep it from getting changed.

“We don't just say you're a (nonprofit charity), you get a sales tax exemption,” Jordan told the Wichita Pachyderm Club. “You have to be put on that list by a legislator.

“It's really not a good way to do it. It's really not. It's very, very political.”

Jordan said a good example is Rotary clubs in Johnson County.

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The department gets calls on a regular basis from charities saying they should be exempt from the Kansas sales tax because they are exempt from paying federal taxes, Jordan said.

“We go, 'That isn't how it works in Kansas. You need to go talk to your legislator and see if they can put you on the list,'” he said.

State Sen. Michael O'Donnell, R-Wichita, was the only member of the Legislature at the meeting.

O'Donnell is in his first term. He said he hasn't been approached by anyone seeking a sales tax exemption and didn't know that it took legislator intervention.

“That was newsworthy to me,” he said. “It's not anything that I've ever heard before.”

He said he would prefer an application system with clear guidelines governing who would and wouldn't qualify for exemptions.

“That would make it an open process that would be freed from the perception of cronyism or a good-old-boy network,” he said.

The last time lawmakers took a serious shot at reforming exemptions was in 2010. But the proposal was soon tagged as the “Girl Scout Cookie Tax.”

The Legislature, facing strenuous opposition from charities and churches that receive the exemptions, quickly killed it.

Jordan said the best way to reform the system would be to turn it over to an independent panel, much like the military isolates base-closure decisions from congressional politics.

“We need almost like a BRAC (Base Realignment and Closure) Commission, who is

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services?' which is another exemption that is a heck of a political fight.”

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