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TESTIMONY

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House Taxation Committee Hearing on HB2209 3:30 a.m. Monday, Feb. 23, 2015

Chairman Kleeb and members of the Committee:

The City of Wichita strongly supports passage of HB2209 and the restoration of personal tax credits for the Individual Development Account program.

Individual Development Accounts (IDAs) teach financial literacy by promoting long term self-sufficiency among low-income clients of the City of Wichita Housing Authority and other community agencies. The program is administered by Interfaith Housing Services (IHS) based in Hutchinson in support of Housing Authority programs.

IDAs provide matching-fund savings accounts for low-income clients. Those accounts are used for the purchase of a high-return investment such as homeownership. Individual tax credits in support of IDAs were eliminated by recent legislation. Business tax credits were sustained, but are insufficient to maintain current program levels. Interfaith Housing Services (IHS) in Hutchinson is proposing a restoration of the individual credits. IDAs assist low-income clients.

The IDA program has proven its worth for the Wichita community through multiple success stories that have enhanced the quality of life for low income citizens and reduced their dependence on government assistance.