



March 18, 2024

Testimony regarding Senate Bill No. 546
By Tim Henry

(Opposition) (Oral)

Senators,

Thank you for the opportunity to share the views of Great Plains Manufacturing, Incorporated and Kubota North America regarding this proposed bill and the revisions to the corporate income tax structure.

Great Plains Manufacturing, Incorporated is a wholly owned subsidiary of Kubota North America and as such, Kubota North America files a Consolidated Tax return in the State of Kansas. As a result, my comments and the impacts from the proposed bill reflect the impact on the total Kubota group in the US.

While every company and individual welcomes and applauds efforts to reduce taxes, in this instance the elimination of the HPIP program that is also proposed, presumably to make the overall impact revenue neutral, is detrimental to Kubota North America and reduces the incentive to invest in Kansas. The adverse impact in the near term is higher taxes, in multiple millions.

As you may be aware, Kubota has initiated a significant multi-year series of investments in Salina with a corresponding expectation of hiring hundreds of new employees. With this proposal, the previously anticipated HPIP benefits of most of this investment will be lost.

In addition, with this proposal, the previously executed PEAK contract with the Department of Commerce is at risk, as well as, the specific sales tax exemptions on new buildings as part of the HPIP program. This is relevant because the previously mentioned investment contains two to three separate building additions.

In closing, I appreciate the opportunity to share these views with you and would ask this committee to oppose the passage of this bill.

Sincerely,

Tim Henry
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A Kubota Company