



House Committee on Tax
Kansas House of Representatives
Kansas State Capitol
300 SW 10th Ave.
Topeka, KS 66612

Re: Testimony in Support of House Bill No. 2276 – Kansas Small Business Ad Tax Credit

Dear Chairman Adam Smith and Members of the Committee,

I am writing to express my strong support for House Bill No. 2276, which seeks to establish a tax credit for small businesses that advertise their products and services through local news outlets. As we work to address the challenges of business recruitment, retention, and expansion in rural Kansas, any form of assistance that helps alleviate the burden of rising interest rates, increasing taxes, and competition with larger enterprises is invaluable. This bill would provide critical support to ensure that rural Kansas communities continue to thrive.

Many businesses in rural Kansas operate with limited marketing budgets and often rely solely on free social media platforms for promotion. While social media can be a useful tool, effectively utilizing these platforms requires significant time and expertise. Furthermore, the concept of free advertising on social media is increasingly misleading, as businesses are frequently required to pay to boost their posts in order to reach a broader audience.

For these reasons, advertising through local news outlets remains a more effective and reliable option for many small businesses. In addition to providing a dependable marketing avenue, it also strengthens the local economy by supporting other local businesses, ensuring that economic benefits remain within the community.

The first year of a business is critical to its long-term success, as it sets the foundation for growth, stability, and sustainability. During this period, business owners must establish their brand, attract and retain customers, manage cash flow, and navigate unexpected challenges. It is often a time of significant financial strain, as startups must invest in marketing, inventory, and operational expenses while working to generate consistent revenue. The ability to effectively market their products and services, build a loyal customer base, and adapt to market demands can determine whether a business thrives or struggles to survive. Given these challenges, support in the form of financial incentives, community engagement, and accessible marketing opportunities can play a crucial role in ensuring a business's success beyond its first year.

As an economic development professional who strongly advocates for local rural entrepreneurs as a means of fostering regional growth, I recognize the importance of providing effective and practical incentives to support businesses. Expanding the resources available to small businesses is essential to ensuring the continued prosperity of our rural communities. Oftentimes, existing programs do not adequately address the unique needs of businesses in

Greeley County Community Development

510 Broadway
P.O. Box 656
Tribune, KS 67879

www.greeleycounty.org

(620) 376-2548
Fax: (620) 376-2549
greeleyc@fairpoint.net

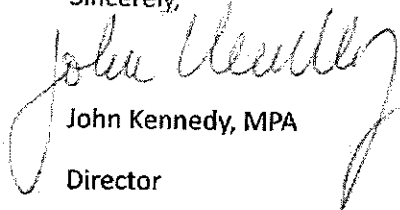


rural areas. However, the tax credit proposed in House Bill No. 2276 presents a valuable opportunity to provide meaningful support. This initiative will not only strengthen local businesses but also bolster local news outlets, which play a vital role in keeping our communities informed and engaged.

Once again, I would like to express my strong support for House Bill 2276 and urge you to do the same. This legislation will provide an invaluable tool for business recruitment, retention, and expansion within our communities. Additionally, it will serve as a critical incentive to support our local news outlets, which are essential pillars of rural communities, ensuring access to reliable information and fostering local engagement.

Thank you for your dedication and tireless efforts on behalf of the State of Kansas. I want to express my sincere appreciation for your time and commitment, and I am grateful for your service to our state.

Sincerely,



John Kennedy, MPA
Director

Greeley County Community Development

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