



To: Sen. Les Donovan, and Members, Senate Assessment and Taxation
From: Rachel Monger, Director of Government Affairs
Date: April 3, 2013

Testimony in Opposition to Senate Bill 240

Thank you, Chairman Donovan, and Members of the Senate Assessment and Taxation Committee. I am Rachel Monger, the Director of Government Affairs for LeadingAge Kansas (formerly known as the Kansas Association of Homes and Services for the Aging). Our 160 members include not-for-profit nursing homes, retirement communities, hospital long-term care units, assisted living and residential health care residences, homes plus, low income housing, licensed home health agencies and other community based service programs throughout Kansas.

Senate Bill 240 will eliminate the community service tax credit for those paying corporate income tax beginning in 2014.

The Community Service Tax Credit Program provides non-profits and public health care providers the opportunity to improve their ability to undertake major capital campaigns for projects involving health care, children and family services and crime prevention through a competitive application process. Under this program, the State authorizes the selected non-profits and health care providers to offer tax credits to donors making contributions to the approved projects.

As non-profits and health care providers, 40% of our members serve in communities of less than 2,000 people. In the last three years, 14 of our members in rural areas of Kansas had projects selected for community service tax credits. The projects ranged from replacing equipment, improvements to physical living environments, renovation of old and outdated buildings, and new construction projects for assisted living and housing for the elderly.

Access to health care and services has long been a challenge in rural areas of our state. Our members are often the only organizations providing these necessary services to the elders in their communities (or surrounding communities). The Community Service Program tax credits play an essential role in their ability to continue to offer the services our elders need. It is often one of the only resources our members

can access to comply with the state's goal of reducing the use of more expensive nursing home care. In small communities, the nursing home is the only service available for those who find themselves in need of supportive services and closer health care supervision. The Community Service tax credit allows our members to build the assisted living and elder housing that will provide the options that seniors want, and that the State of Kansas has said it needs.

We strongly urge the Committee to preserve the entirety of the community service tax credit, and to not carve out potential donors for a program so vital for the health care needs of Kansans.

Thank you for your attention to this important issue.